Annual Comprehensive Financial Report

FOR THE YEAR ENDED JUNE 30, 2024

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

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

LETTER OF TRANSMITTAL

December 6, 2024

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

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, 2024. 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, 2024, 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 universities with the highest level of research activity. Many of the 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 25 National Championships in four different sports, with 11 coming from the dominant women's basketball team and the most recent one coming in April 2024 with back-to-back championships from our men's basketball team.

Student and Faculty Data
For the 2023-2024 academic year, the number of applications for undergraduate first-year admissions was 46,645 for just over 6,795 seats. Total enrollment in the fall of 2023 was 31,679 students, including 7,323 graduate students. The University's diverse student population hails from 46 states and 113 countries. Of the 24,356 undergraduates, 53 percent were female, and 44 percent of undergraduates were members of minority groups. The University employs 1,659 full-time faculty members and an additional 828 part-time faculty and adjuncts. In the 2023-2024 academic year, the University conferred 8,881 degrees. Approximately 75 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. Therefore, it is not included as a component unit in the accompanying financial statements. See Notes 1 and 14 for additional information.

Economic Condition

According to the State Comptroller, the State ended fiscal year 2024 with a general fund surplus of $401 million, slightly higher than budgeted. With a strong labor market and wage growth throughout the year, certain tax revenues performed better than expected. Connecticut's budget results are ultimately dependent upon the performance of the national and state economies. In fiscal year 2024, the economy proved resilient to the highest interest rates in twenty years, with continued growth in jobs and consumer spending. High inflation, though, prevented the Federal Reserve from lowering interest rates, which negatively impacted sectors particularly vulnerable to rate changes such as the housing market. During fiscal year 2024, the state's labor force grew 1.1 percent, contributing to employment growth of 12,000 positions (0.7 percent). The unemployment rate peaked at 4.5 percent in February, before declining to 3.9 percent in June.

The University maintained a balanced budget for fiscal year 2024. This was in large part due to significant funding from the State. The University received its annual block grant plus $82 million in one-time funds for general operating support and to cover non-block grant collective bargaining increases (stipulated in the State's multiyear agreement with SEBAC, the State Employees' Bargaining Agent Coalition). In fiscal year 2024, the State also implemented a budget-neutral change in its fringe benefit funding structure, now covering all retirement-related fringe benefit costs for all University employees participating in State-sponsored retirement plans. As a result, the University did not pay retirement costs for these plans in fiscal year 2024. Furthermore, these costs and the associated State funding are not included in the accompanying financial statements.

Long-Term Financial Planning

The University is grateful that the State has continued significant one-time funding in fiscal years 2024 and 2025; however, it is important to note that the one-time funds are expected to be eliminated in fiscal year 2026, creating significant challenges in the University's operating budget. For fiscal year 2026 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 possible decreases in State support. The University will look to maintain a balanced budget for its operations through potential increases in student tuition and fee rates, enrollment growth, entrepreneurial programs, and other revenue expansions, as well as reductions in non-core spending.

The University Board of Trustees adopted a new Strategic Plan in December 2023, which identifies three key goals for transformation: (i) promoting holistic student success, (ii) expanding research impact, and (iii) powering a thriving Connecticut. The strategic goals will be achieved through pursuing six cross-cutting areas of focus: (i) student success journey, (ii) excellence in research, innovation and engagement, (iii) wellness of people and planet, (iv) seven world-class campuses, one flagship University, (v) Husky pride and resilience, and (iv) a stronger, more inclusive University. Moving forward, financial planning will be driven by the goals and focus areas identified in the Strategic Plan.

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.

Reductions in Spending
Over the last several years, the University has been implementing 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 $2.6 billion in bond funds for new and renovated facilities, extending the UConn Infrastructure Improvement Program (UCONN 2000) that began in 1995 to 2031. 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 2024, the University has been authorized $1.9 billion in funding for this initiative, with an additional $122.0 million and $124.0 million coming in fiscal years 2025 and 2026, respectively. The NextGenCT funds have allowed the University to open two new residential halls and associated dining facilities, build a new downtown Hartford campus, a new Engineering and Science Building, a new Fine Arts production facility, complete phases 1 and 2 of the Gant Building renovations, construct the Northwest Science Quad complex, anchored by the Science 1 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 2,055 at all campuses with a 44 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 2023-2024 academic year include the following:

For fall 2023, 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 2023-2024 academic year, 92 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, and ranks tied for 1st among 58 public research university peers. The reduced amount of time it takes to graduate helps students pay less in tuition and join the workforce more quickly.

- In fiscal year 2024, the University provided $179.8 million in tuition funded financial aid, representing an 11 percent increase over the previous fiscal year.

- From fiscal year 1996 to fiscal year 2024, the University has expended $3.9 billion out of the $4.2 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

Graduate education at the University across a wide variety of fields rates among the best in the nation. Several disciplines and programs saw significant increases according to 2024-2025 US News & World Report graduate rankings. Programs in the College of Liberal Arts and Sciences, the Neag School of Education, and the School of Business earned high marks, as did the School of Public Policy, the School of Law, and the School of Social Work. The Neag School of Education ranks 24th among public graduate schools of education in the US. The School of Business's part-time MBA program now ranks 33rd in the nation, up four spots from last year. These recognitions highlight the University's commitment to student excellence and support, as well as the efforts of the individual schools and colleges measured in the rankings.

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, 2023. This was the 8th consecutive year that the University has achieved this prestigious award. 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, 2024, 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

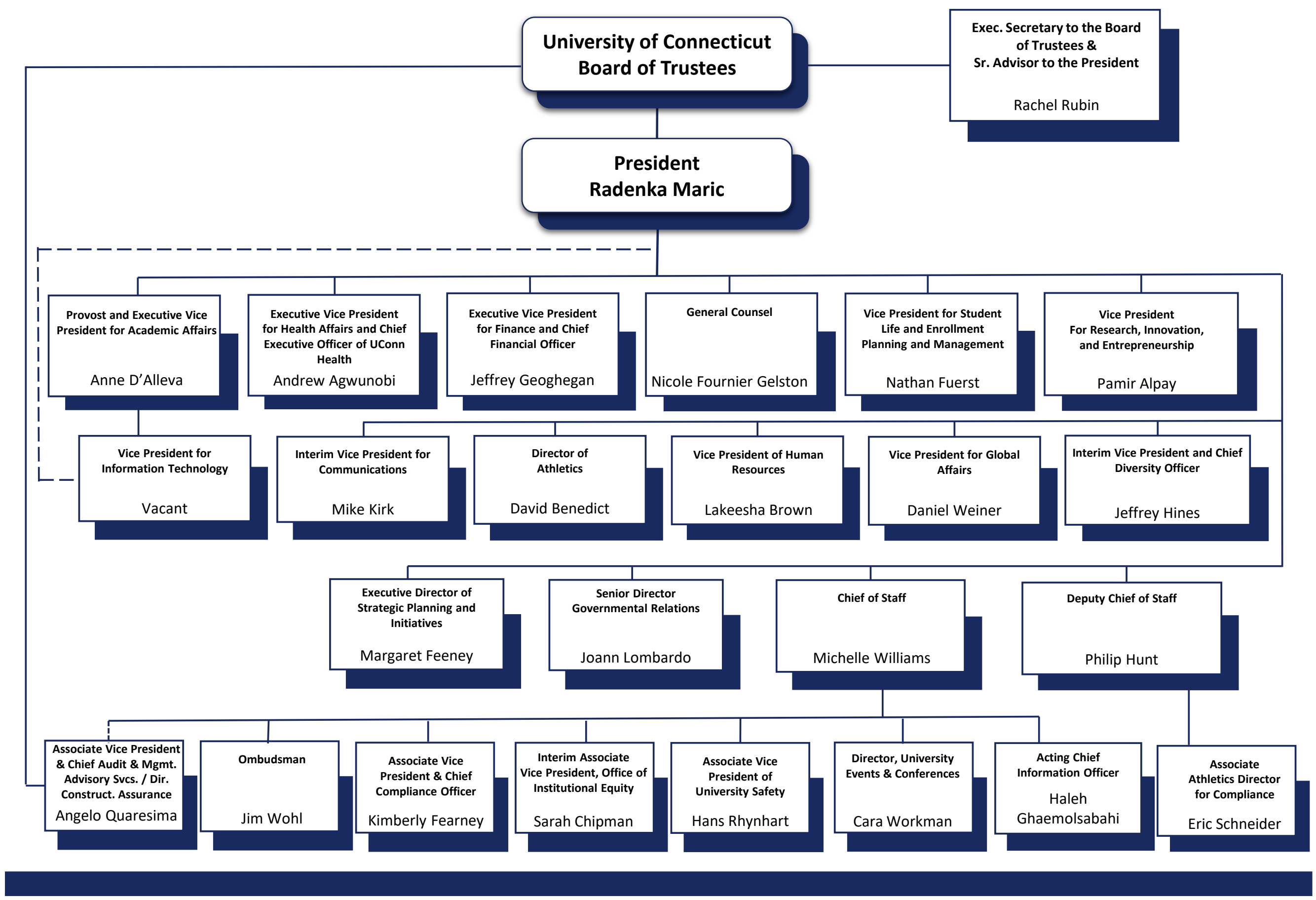
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2023

Executive Director/CEO

UNIVERSITY OF CONNECTICUT
BOARD OF TRUSTEES
As of June 30, 2024

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

CRAIG A. MINER

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, 2024, 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, 2024, 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.

Sincerely,

John C. Geragosian
State Auditor

Craig A. Miner
State Auditor

December 6, 2024
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, 2024, with selected comparative information from fiscal year 2023. 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, 2024, the University implemented changes in the calculation of scholarship discounts and allowances. These changes impacted the amounts reported on the Statement of Revenues, Expenses, and Changes in Net Position, including student tuition and fees, auxiliary enterprise revenue, and scholarship and fellowship expenses. The prior year's amounts remain unchanged, as this adjustment is treated as a change in accounting estimate and is applied prospectively. The change in net position was also unaffected. See Notes 1 and 17 for additional information.

Financial Summary

During fiscal year 2024, the University experienced a significant increase in its net position, which rose by $145.7 million. This increase was primarily driven by capital improvement initiatives. In November 2023, the University issued general obligation bonds as part of the UCONN 2000 Infrastructure Improvement Program (UCONN 2000). The debt service is paid by the State and the principal was accounted for as a capital appropriation. UCONN 2000 General Obligation Bonds were not issued during fiscal year 2023, which significantly contributed to the large rise in net position. Additionally, the University was allocated $45.0 million from the State in fiscal year 2024 to fund capital projects, including the new School of Nursing Program Facility. This project aims to address the nursing shortage and improve nursing education.

These results were partially offset by noncash adjustments related to pension and other post-employment benefit (OPEB) expenses. These adjustments are required by 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,* for the measurement period ended June 30, 2023. Furthermore, due to legislation effective July 1, 2023, the State now covers the University's retirement-related costs for State-sponsored plans, resulting in reduced appropriations for the University. Mandatory salary and wage increases set by collective bargaining agreements also impacted the financial results.

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.

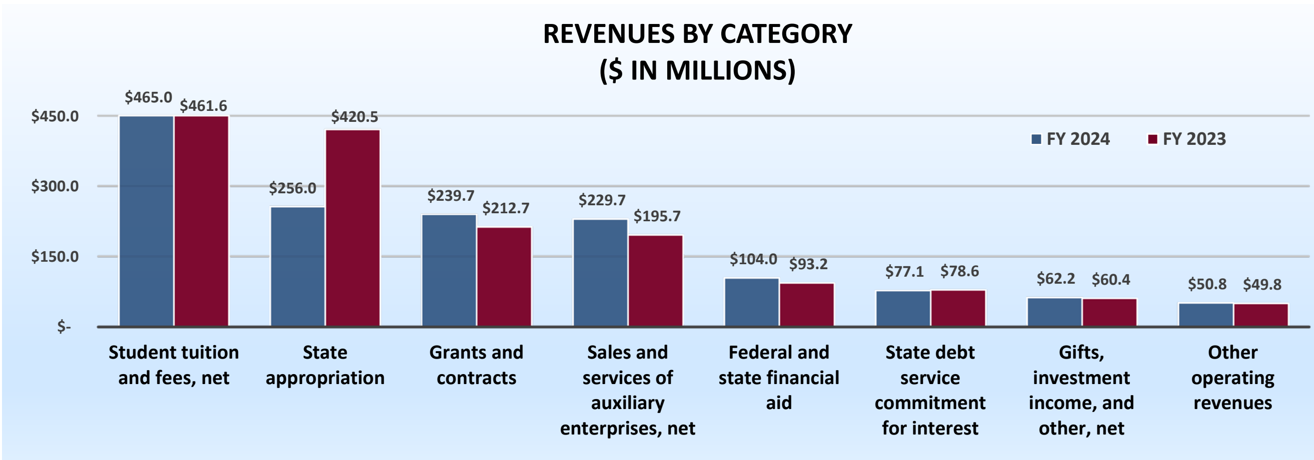
By its very nature, a state-funded institution does not receive tuition, fees, room, and board revenues sufficient to support the operations of the University. Significant recurring sources of nonoperating revenues utilized in balancing the operating loss each year include appropriations from the State 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):

	2024	2023	$ Change	% Change
Operating Revenues				
Student tuition and fees, net	$ 465.0	$ 461.6	$ 3.4	0.7%
Grants and contracts	239.7	212.7	27.0	12.7%
Sales and services of auxiliary enterprises, net	229.7	195.7	34.0	17.4%
Other	50.8	49.8	1.0	2.0%
Total Operating Revenues	985.2	919.8	65.4	7.1%
Operating Expenses				
Salaries and wages	732.9	685.2	47.7	7.0%
Fringe benefits	279.5	247.7	31.8	12.8%
Supplies and other expenses	321.1	294.2	26.9	9.1%
Utilities	22.6	27.6	(5.0)	(18.1)%
Depreciation and amortization	144.4	139.6	4.8	3.4%
Scholarships and fellowships	23.8	33.9	(10.1)	(29.8)%
Total Operating Expenses	1,524.3	1,428.2	96.1	6.7%
Operating Loss	(539.1)	(508.4)	(30.7)	6.0%
Nonoperating Revenues (Expenses)				
State appropriation	256.0	420.5	(164.5)	(39.1)%
State debt service commitment for interest	77.1	78.6	(1.5)	(1.9)%
Federal and state financial aid	104.0	93.2	10.8	11.6%
Gifts, investment income, and other, net	62.2	60.4	1.8	3.0%
Interest and other expenses	(76.4)	(72.5)	(3.9)	5.4%
Net Nonoperating Revenues	422.9	580.2	(157.3)	(27.1)%
Income (Loss) Before Other Changes in Net Position	(116.2)	71.8	(188.0)	(261.8)%
Other Changes in Net Position				
State debt service commitment for principal	209.2	-	209.2	100.0%
Capital allocation	45.0	-	45.0	100.0%
Capital grants and gifts	7.5	3.6	3.9	108.3%
Additions to permanent endowments	0.2	-	0.2	100.0%
Net Other Changes in Net Position	261.9	3.6	258.3	7175.0%
Increase in Net Position	145.7	75.4	70.3	93.2%
Net Position – Beginning of Year, As Previously Reported	(421.8)	(500.2)	78.4	(15.7)%
Cumulative effect of accounting changes	-	3.0	(3.0)	(100.0)%
Net Position – Beginning of Year, As Restated	(421.8)	(497.2)	75.4	(15.2)%
Net Position – End of Year	$ (276.1)	$ (421.8)	$ 145.7	(34.5)%

Total Revenues

The following graph shows the University's total operating and nonoperating revenues by category:



OPERATING REVENUES – INCREASED BY $65.4 MILLION

- **Student tuition and fees, net,** represent the largest source of operating revenues for the University. During fiscal year 2024, this revenue increased by $3.4 million, primarily due to a $42.8 million rise in tuition revenue and a $10.3 million increase in fees, partially offset by a $49.7 million increase in scholarship allowances. Key factors contributing to these financial shifts include:

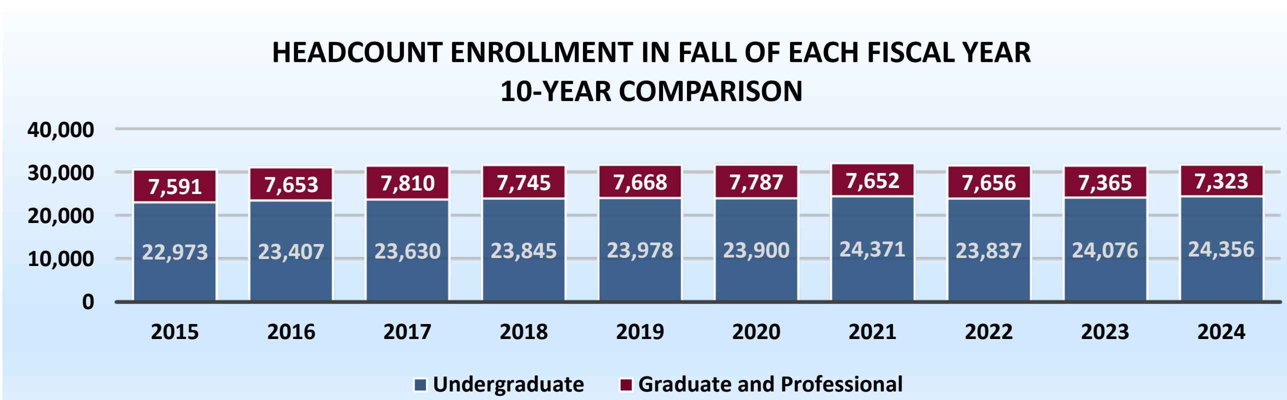
  - **Tuition increase:** A Board-approved tuition increase raised full-time tuition by $660 ($330 per semester), resulting in a significant increase in tuition revenue.

  - **Mandatory fee adjustments:** Rate increases of mandatory fees also contributed, with undergraduate fees rising by 7.6 percent and graduate fees by 8.9 percent.

  - **Enrollment changes:** Enrollment increased overall, with notable demographic shifts. Out-of-state undergraduate enrollment rose by 14.8 percent, while in-state and international undergraduate enrollment slightly declined by 1.9 percent and 1.6 percent, respectively. Graduate enrollment saw a marginal decrease of 0.6 percent.

  - **Increase in scholarship allowances:** Scholarship allowances are subtracted from gross tuition and fees to determine net revenues. An increase in these allowances reduces net revenue, even if tuition and fees rise. The increase in scholarship allowances of $49.7 million was primarily due to the change in accounting estimate, which accounted for about $34.0 million of the increase. The remaining growth in scholarship allowances correlates with the increases in tuition and fees and financial aid.

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



- Operating **grants and contracts** had a significant increase of $27.0 million in fiscal year 2024, marking a record-breaking year for research and sponsored programs. Federal grants and contracts rose by $22.1 million, with substantial funding coming from the U.S. Department of Energy, the U.S. Department of Defense, the U.S. Department of the Treasury, and the U.S. Department of Health & Human Services. State grants and contracts experienced a modest increase of $1.2 million. Additionally, nongovernmental grants and contracts grew by $3.7 million, driven by increased funding from private sponsors and foundations.

- **Sales and services of auxiliary enterprise revenues, net,** had a notable increase of $34.0 million. This increase was primarily attributed to a combination of factors:

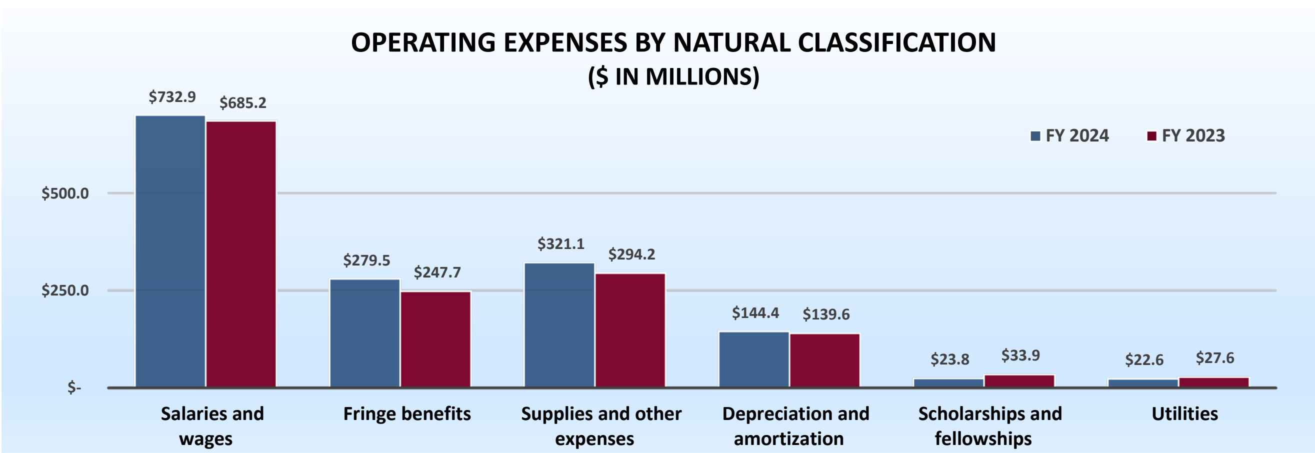
  - **Student housing and dining revenues:** Revenues from student housing and dining increased by $5.0 million and $4.3 million, respectively. This was primarily due to a 2.75 percent increase in room and dining rates, along with student housing capacity rising to approximately 99.7 percent from 98.0 percent in the prior fiscal year.

  - **Athletic revenues:** There were measurable increases in athletics revenues of $9.7 million, driven by the success of intercollegiate sports programs. Notably, the men's basketball team won its first back-to-back championship, and the women's team made a record 23rd Final Four appearance at the 2024 NCAA basketball tournament.

  - **Decrease in scholarship allowances:** Scholarship allowances applied to student housing and dining charges are subtracted from gross revenues. The decrease in scholarship allowances effectively increased auxiliary enterprise revenues by $11.2 million. This decrease was due to the change in accounting estimate of about $17.0 million, partially offset by increases related to student housing and dining revenues and financial aid.

OPERATING EXPENSES – INCREASED BY $96.1 MILLION

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



- **Salaries and wages** increased by $47.7 million across various functional expense categories. This increase was driven by mandatory wage increases required under collective bargaining agreements for State employees, faculty recruitment efforts, higher stipends for graduate assistants as per union contracts, bonuses for athletic coaches and staff, and an increased employee headcount. These changes were partially offset by lump-sum payments required under collective bargaining agreements in fiscal year 2023, which did not recur during fiscal year 2024.

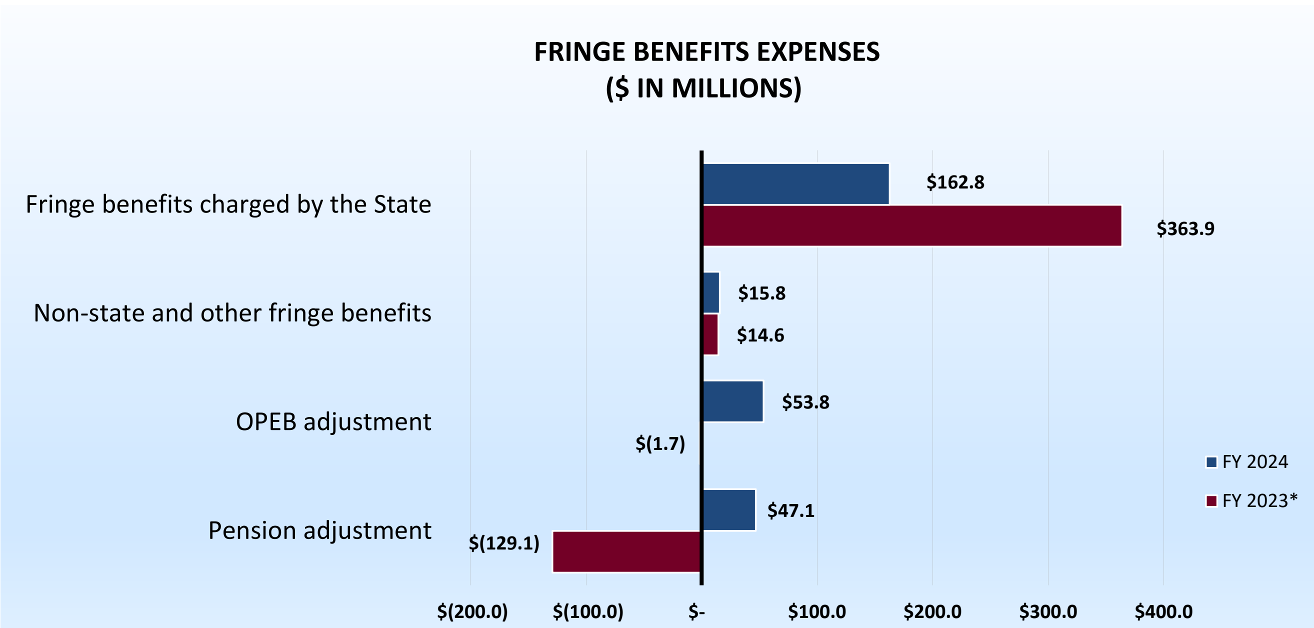
- **Fringe benefits** increased by $31.8 million in fiscal year 2024, primarily due to adjustments related to GASB 68 and GASB 75. According to this guidance, the University must recognize its share of the unfunded pension and OPEB liabilities and related expenses from the State's defined benefit pension and OPEB plans (see Notes 9 and 10). These noncash adjustments, which recorded pension and OPEB expenses for the measurement period ended June 30, 2023, increased by $176.2 million and $55.5 million, respectively, due to the following factors:

  - **Increase in pension expense:** The University's pension expense for defined benefit plans increased by $54.3 million over fiscal year 2023. This increase was primarily due to the State transfer from the Budget Reserve Fund and General Fund Surplus, which reduced the University's proportionate share of the collective pension expense related to the State Employees Retirement System (SERS) in the previous fiscal year. The University's proportionate share of the collective pension expense for SERS also increased due to the amortization of prior year deferrals, partially offset by a net investment experience loss in the previous fiscal year compared with a gain recognized in fiscal year 2024, and a decrease in the University's proportion.

- **Decrease in OPEB expense:** Despite the related noncash adjustment increasing, OPEB expense decreased by $17.3 million from fiscal year 2023, primarily driven by the amortization of changes in proportion, which reduced OPEB expense. Additionally, the University's proportionate share of the collective OPEB expense decreased due to the amortization of prior year deferrals and a higher actuarial experience gain in fiscal year 2024. However, this was partially offset by a significant decrease due to changes in actuarial assumptions.

- **Legislative changes:** Starting in fiscal year 2024, the University no longer funds retirement contributions for State employees, as these are now covered by the State (see Note 14). Therefore, fringe benefits charged by the State decreased by $201.1 million from fiscal year 2023, after accounting for increases due to higher salaries and wages. This reduction includes $121.9 million for pension contributions and $72.8 million for OPEB contributions, leading to an increase in noncash adjustments in fiscal year 2024.

The following graph shows a breakdown of fringe benefits:



**Certain adjustments were reclassified between the categories shown above.*

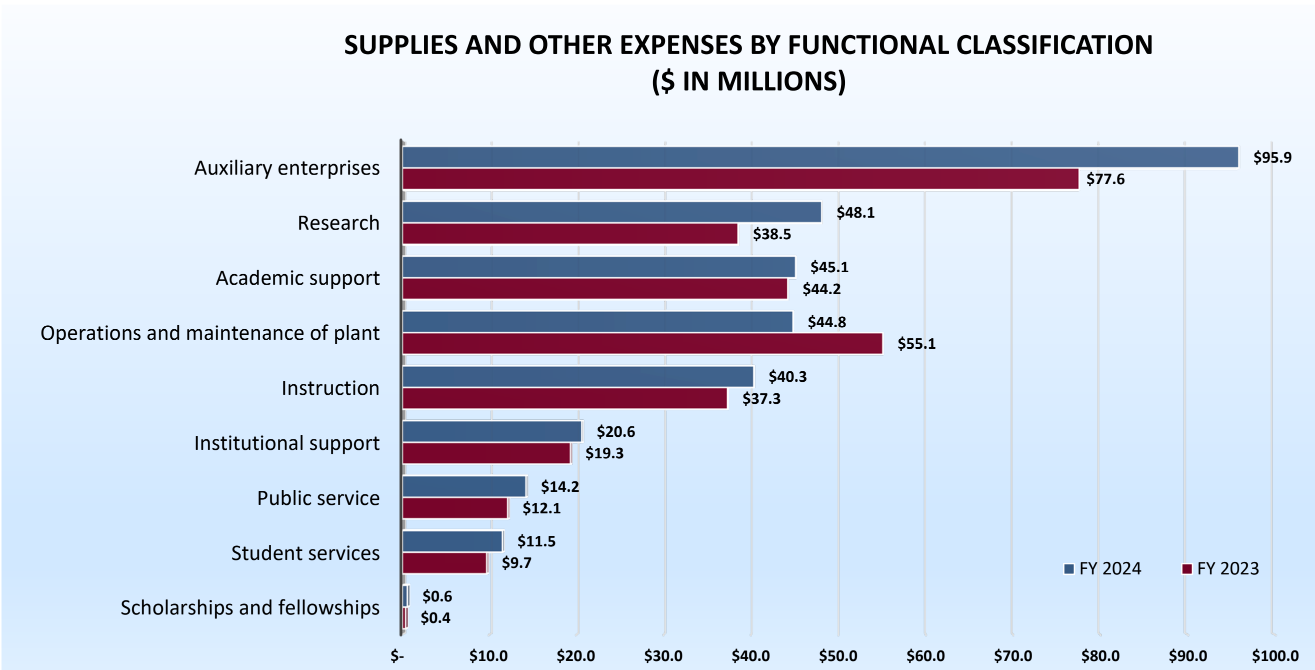
- **Supplies and other expenses** increased by $26.9 million, driven by the following key factors:

  - **Instruction, research, and public service:** These functions had a collective increase of $14.7 million, primarily due to a growth in sponsored programs and departmental research activities. This rise aligns with the increase in operating grants and contract revenues, supporting initiatives such as the Innovations Institute and the National Institute for Undersea Vehicle Technology. A portion of the increase was attributed to subawards, where grant funding is distributed to third parties with the necessary expertise or resources needed to meet program goals.

  - **Auxiliary enterprises:** There was an $18.3 million increase in auxiliary enterprise services, primarily due to higher athletic-related expenses and increased costs associated with student housing, including dorm furniture upgrades, student health and wellness, shuttle bus operations, and other services totaling $10.9 million. The increase in athletic-related expenses was attributed to the basketball teams' successes during fiscal year 2024. The remaining increase of $7.4 million was due to a change in the overhead expense allocation, which was adjusted to be more in line with post-pandemic services provided by other University departments. This increase was offset by corresponding decreases in operations and maintenance of plant and institutional support, discussed in the next section, resulting in a zero net change in overall supplies and other expenses.

- **Other functional expenses:** Student services increased by $1.8 million, mainly due to higher costs related to recruiting and orientation services. Institutional support rose by $1.2 million, primarily due to a $3.6 million increase in contractual services under the annual University of Connecticut Foundation (UConn Foundation) agreement. Academic support increased by $1.0 million, due to a combination of factors including higher consulting fees, travel, and a lease impairment. Operations and maintenance of plant decreased by $10.3 million, due to higher allocations to auxiliary enterprises, as mentioned in the previous section, combined with lower demolition and remediation costs related to capital projects expensed in the previous fiscal year.

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



- **Utilities** decreased by $5.0 million, largely due to lower gas prices and reduced energy consumption during a milder winter.

- **Depreciation and amortization** expense increased by $4.8 million in fiscal year 2024. This rise was primarily due to a large volume of subscription asset additions, which led to an increase in the amortization of right-to-use assets. Building depreciation also increased because of newly completed buildings and renovations.

- **Scholarships and fellowships** experienced a reduction of $10.1 million, primarily due to changes in the calculation of scholarship discounts and allowances introduced in fiscal year 2024, as well as amounts that were previously reported as scholarships but are now classified as payments from third parties on behalf of students. These decreases were partially offset by an increase in financial aid provided by the University to support the growth in enrollment and tuition and fee increases.

NET NONOPERATING REVENUES – DECREASED BY $157.3 MILLION

- **State appropriation**, which is the University's second largest source of revenue, decreased by $164.5 million in fiscal year 2024, primarily due to legislative changes effective July 1, 2023 (see Note 14). These changes led to a reduction of approximately $186.8 million in fringe-related adjustments. However, this decrease was partially offset by an increase of $22.3 million, which included one-time state support, additional funding for collective bargaining increases, and allocations for specific programs.

- **Federal and state financial aid** increased by $10.8 million, primarily due to an increase in recurring student financial aid, with the Federal Pell Grant rising by $4.6 million and the Roberta B. Willis Scholarship increasing by $1.9 million. Additionally, there was an increase of $4.0 million in the American Rescue Plan Act (ARPA) funds allocated from the State for temporary operating support (See Note 14).

- **Gifts, investment income, and other, net,** increased by $1.8 million in fiscal year 2024. Major factors contributing to this change include:

  - **Investment income**: This category rose by $11.0 million, driven by significantly higher Short-Term Investment Fund rates and increased interest earnings from larger cash balances on bond proceeds.

  - **Gifts:** There was a decrease of $7.0 million in gifts, due to approximately $3.0 million in large gifts received in fiscal year 2023 that did not recur, and $3.4 million that were previously reported as gifts but are now classified as payments from third parties on behalf of students.

  - **Other nonoperating revenues (expenses), net:** This line item was reflected as an expense in fiscal year 2024, as costs from issuing bonds were higher than net gains from the University's endowment investments, leading to a decrease of $2.2 million.

- **Interest and other expenses** rose by $3.9 million, which included a $2.7 million increase in interest expense and $1.2 million from the disposal of capital assets, net.

OTHER CHANGES IN NET POSITION – INCREASED BY $258.3 MILLION

Other changes in net position consist of the State debt service commitment for principal (capital appropriation), capital allocation, capital grants and gifts, and additions to permanent endowments.

- **State debt service commitment for principal** increased by $209.2 million, primarily due to a capital appropriation recognized in fiscal year 2024 for general obligation bonds that were issued by the University and secured by the State under the State debt service commitment. No general obligation bonds were issued in fiscal year 2023.

- **Capital allocation** increased by $45.0 million due to additional funding provided by State General Obligation Bond funds. During fiscal year 2024, the State Bond Commission allocated $30.0 million for the Nursing Program Facility, $10.0 million for equipment, library collections, and telecommunications, and $5.0 million for the XL Center Academic Space.

- **Capital grants and gifts** increased by $3.9 million in fiscal year 2024, largely due to substantial artwork donations to the Benton Museum totaling approximately $2.0 million, along with a $1.8 million rise in Foundation reimbursements for projects such as the Freitas Renovation and other facilities. These gains were offset by decreases in several athletic capital projects that occurred in the previous fiscal year.

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):

	2024	2023	$ Change	% Change
Assets				
Current assets	$ 858.0	$ 598.5	$ 259.5	43.4%
Capital assets, net	2,756.2	2,653.7	102.5	3.9%
Other noncurrent assets	1,524.7	1,441.1	83.6	5.8%
Total Assets	5,138.9	4,693.3	445.6	9.5%
Deferred Outflows of Resources	326.0	756.7	(430.7)	(56.9)%
Liabilities				
Current liabilities	474.7	450.9	23.8	5.3%
Noncurrent liabilities	4,259.8	4,400.5	(140.7)	(3.2)%
Total Liabilities	4,734.5	4,851.4	(116.9)	(2.4)%
Deferred Inflows of Resources	1,006.5	1,020.4	(13.9)	(1.4)%
Net Position				
Net investment in capital assets	1,013.2	925.9	87.3	9.4%
Restricted nonexpendable	16.4	16.2	0.2	1.2%
Restricted expendable	1,286.3	1,122.5	163.8	14.6%
Unrestricted	(2,592.0)	(2,486.4)	(105.6)	4.2%
Total Net Position	$ (276.1)	$ (421.8)	$ 145.7	(34.5)%

TOTAL ASSETS AND DEFERRED OUTFLOWS – INCREASED BY $14.9 MILLION

- **Current assets** increased by $259.5 million due to the following key factors:

  - **New bond issuances:** Deposits with Bond Trustee increased $188.4 million, mainly consisting of unexpended bond proceeds from the successful sale of UCONN 2000 General Obligation Bonds and Student Fee Revenue Bonds in fiscal year 2024. Additionally, the current portion of the State debt service commitment receivable increased by $7.5 million, due to the issuance of new state-backed general obligation bonds. This increase was partially offset by debt refundings and repayments.

  - **Increase in cash balances:** Cash and cash equivalents increased by $88.9 million. This growth was primarily due to cash received from the State capital allocation, which includes $30.0 million allocated for the Nursing Program Facility, and favorable timing of receipts, including the 2023 State ARPA allocation. Higher operating receipts and investment earnings also contributed to the increase. These gains were partially offset by capital expenditures for the South Campus Residence Hall, which are expected to be reimbursed by Student Fee Revenue Bond proceeds.

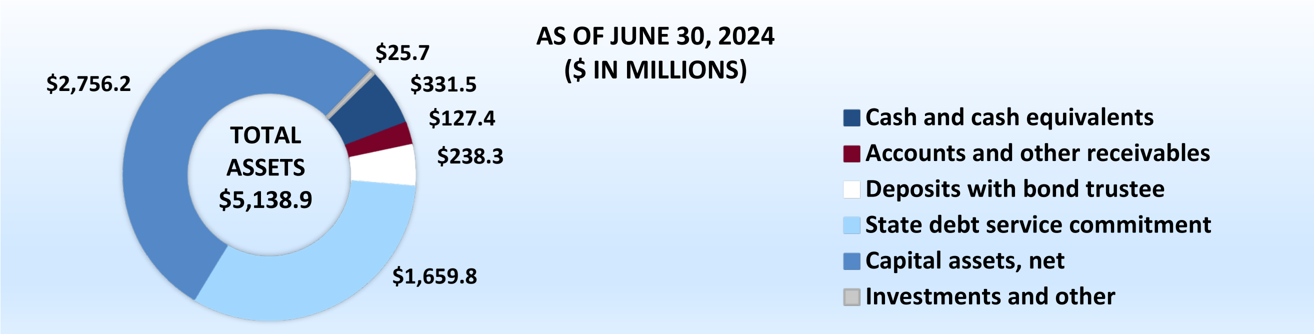
  - **Receivables:** Current receivables saw a combined decrease of $23.6 million, primarily due to the receipt of the fiscal year 2023 State ARPA allocation of $38.2 million, as well as the timing of other operating receipts and UConn Foundation gifts. These decreases were partially offset by increases in grant-related receivables and the capital allocation for the XL Center Academic Space due from the State.

- **Capital assets, net,** increased by $102.5 million for the current fiscal year, which consists of additions of $252.1 million, offset in part by depreciation and amortization of $144.4 million, and retirements of $5.2 million.

- **Noncurrent assets** increased by $83.6 million, mostly due to the increase in the noncurrent portion of the State debt service commitment receivable of $81.5 million. This rise is from the issuance of new UCONN 2000 General Obligation bonds as mentioned above, partially offset by debt refundings and repayments covered by the State.

- **Deferred outflows of resources** decreased by $430.7 million, primarily due to the amortization of prior year deferred balances and net investment experience gains related to net pension and net OPEB liabilities. Additionally, there was a decrease in contributions made after the measurement date because there were no contributions for fiscal year 2024 for both pension and OPEB. These decreases were partially offset by OPEB actuarial assumption changes and a pension actuarial experience loss.

The following graph shows total assets by major category:



TOTAL LIABILITIES AND DEFERRED INFLOWS – DECREASED BY $130.8 MILLION

- **Current liabilities** increased by $23.8 million in fiscal year 2024. Payroll liabilities rose by $4.9 million, primarily due to collective bargaining increases and timing of pay periods. Unearned revenue increased by $7.4 million, mainly due to a larger volume of reimbursement grants received in advance of expenses incurred and unearned ticket sales. The current portion of long-term debt, lease and subscription liabilities, and accrued interest rose in total by $12.1 million. This increase was mainly attributed to higher repayments due within one year, the issuance of new bonds, and additional lease and software contracts added during fiscal year 2024.

- **Noncurrent liabilities** decreased by $140.7 million. This was mainly due to the following key factors:

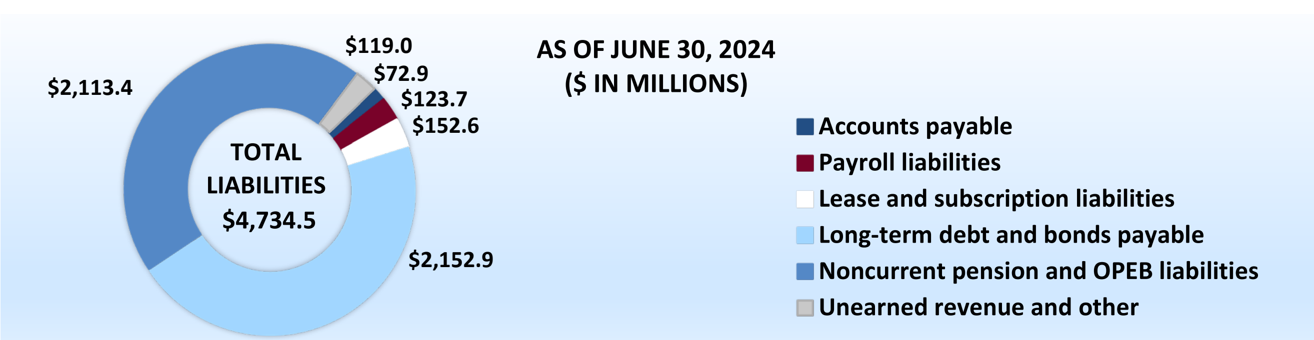
  - **Net Pension liability (NPL):** The NPL decreased by $258.2 million, mainly due to the University's proportion for SERS dropping to 3.72 percent in fiscal year 2024 from 4.66 percent in fiscal year 2023. Additionally, the University's proportionate share of the collective NPL decreased due to changes from normal plan operations and a net investment experience gain. These decreases were partially offset by an actuarial experience loss.

  - **Net OPEB liability (NOL):** The University's proportionate share of the collective NOL was reduced by $47.3 million, due to an actuarial experience gain, a net investment experience gain, and a lower proportion (8.56 percent in fiscal year 2024 versus 8.93 percent in fiscal year 2023). These decreases were partially offset by updates in actuarial assumptions and changes from normal plan operations.

  - **Long-term debt and other obligations:** The reductions in NPL and NOL were partially offset by an increase of $155.9 million in long-term debt and bonds payable, mainly due to new bond issuances. This increase was partially offset by refundings and debt repayments (see Debt Activities). Additionally, there was an increase in lease and subscription liabilities of $7.4 million, attributed to an influx of new lease and software contracts.

- **Deferred inflows of resources** decreased by $13.9 million, mainly due to the amortization of prior year deferred balances related to net pension and net OPEB liabilities. This decrease was partially offset by additions related to changes in the proportion of net pension and OPEB liabilities, an OPEB actuarial experience gain, and a gain from the 2023 General Obligation Bond refundings.

The following graph shows total liabilities by major category:



NET POSITION – INCREASED BY $145.7 MILLION

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, 2024, is a negative $276.1 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):

	2024	2023	$ Change	% Change
Net Position				
Net investment in capital assets	$ 1,013.2	$ 925.9	$ 87.3	9.4%
Restricted nonexpendable	16.4	16.2	0.2	1.2%
Restricted expendable	1,286.3	1,122.5	163.8	14.6%
Unrestricted	(2,592.0)	(2,486.4)	(105.6)	4.2%
Total Net Position	(276.1)	(421.8)	145.7	(34.5)%
Pension (GASB 68) impact	1,017.9	970.8	47.1	4.9%
OPEB (GASB 75) impact	1,744.9	1,691.1	53.8	3.2%
Net Position, Excluding Pension and OPEB	$ 2,486.7	$ 2,240.1	$ 246.6	11.0%

- **Net investment in capital assets** increased by $87.3 million. The current fiscal year's activity consists of a net increase in capital assets of $102.5 million, partially offset by a net change in capital-related liabilities, deferred inflows of resources, and deferred outflows of resources of $15.2 million.

- **Restricted expendable net position** increased by $163.8 million in fiscal year 2024. This was mainly due to the following key factors:

  - **Capital projects:** This component increased by $38.8 million, primarily due to the capital allocation for the Nursing Program Facility and the XL Center Academic Space.

  - **Debt service:** These funds rose by $119.7 million, primarily due to the issuance of new general obligation bonds. When general obligation bonds are issued, the commitment from the State is recorded as a receivable, which contributed to a net increase of $86.8 million to restricted net position in fiscal year 2024. In addition, the noncapital portion of the general obligation debt, which partially offsets the state debt service commitment, saw a net decrease of $32.1 million, primarily due to debt repayments, favorably impacting net position.

  - **Research, instruction, scholarships, loans, and other:** These balances also rose by $5.3 million, primarily due to the net appreciation of the University's endowments, fringe benefit rate adjustments, and an increase in nonexchange grants, partially offset by a decrease due to large one-time gifts received in fiscal year 2023.

- **Unrestricted net position** decreased by $105.6 million, mainly due to pension and OPEB adjustments of $100.9 million. Excluding these adjustments, the unrestricted net position fell by $4.7 million, attributed to increased spending on capital projects such as the South Campus Residence Hall and higher salaries and wages. These decreases were partially offset by increased revenue from student tuition and fees, auxiliary services, investment income, and the reduction to state appropriation in the prior year resulting from new legislation.

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):

	2024	2023	$ Change	% Change
Land	$ 32.3	$ 32.4	$ (0.1)	(0.3)%
Construction in progress	315.9	164.0	151.9	92.6%
Art and historical collections	60.7	58.0	2.7	4.7%
Non-structural improvements	377.7	383.4	(5.7)	(1.5)%
Buildings and improvements	1,722.0	1,777.3	(55.3)	(3.1)%
Intangible assets	10.0	11.9	(1.9)	(16.0)%
Right-to-use assets	148.3	138.5	9.8	7.1%
Library materials	3.2	3.3	(0.1)	(3.0)%
Equipment	86.1	84.9	1.2	1.4%
Total Capital Assets, Net	$ 2,756.2	$ 2,653.7	$ 102.5	3.9%

- **Construction in progress** increased by $151.9 million as projects including Residential Life Facilities – South Campus Residence Hall, South Campus Infrastructure, Boiler Plant Equipment Replacement and Utility Tunnel Connection, and other projects continued construction. These additions were partially offset by projects that were completed and transferred from construction in progress to buildings and improvements and non-structural improvements such as UCONN 2000 Code Remediation: Stamford Downtown Relocation.

- **Art and historical collections** increased by $2.7 million, representing additions.

- **Non-structural improvements** decreased by $5.7 million. Additions totaling $10.4 million included Northwest Quad – Science 1 – Site Improvements and Tunnel Phase 2, Avery Point Seawall Restoration, and other projects. These additions were offset by depreciation expense of $16.1 million.

- **Buildings and improvements** decreased by $55.3 million. Additions of $41.2 million included UCONN 2000 Code Remediation: Stamford Downtown Relocation, increases to the UConn Hockey Arena and STEM Research Center Science 1, and other renovation projects. These additions were offset by depreciation expense of $92.2 million and retirements of $4.3 million.

- **Intangible assets** decreased by $1.9 million. Additions of $1.7 million representing software purchases were offset by amortization expense of $3.6 million.

- **Right-to-use assets** increased by $9.8 million. Additions of $24.0 million were offset by amortization expense of $14.0 million and retirements of $0.2 million.

- **Library materials** decreased by $0.1 million. Additions of approximately $0.4 million were offset by $0.5 million in depreciation expense.

- **Equipment** increased by $1.2 million. Additions of $19.9 million were offset by depreciation expense of $18.0 million and retirements of $0.7 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 $5.3 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.

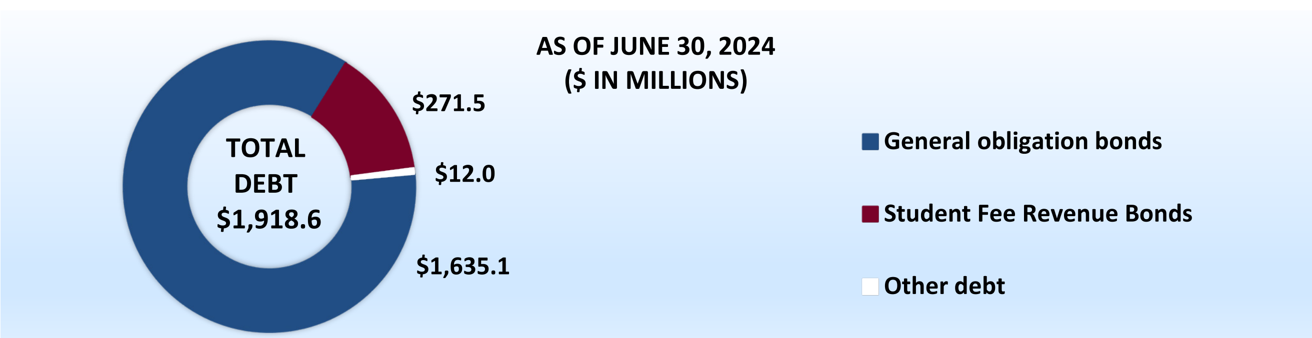
In fiscal year 2024, the University issued UCONN 2000 general obligation bonds with a combined face value of $358.0 million, of which $8.0 million was committed to UConn Health for its UCONN 2000 projects. This issuance included the refunding of the General Obligation 2013 Series A Bonds and the partial refunding of the General Obligation 2014 Series A Bonds.

In addition to general obligation bonds, the University may issue Student Fee Revenue Bonds, which are secured by pledged revenues. In fiscal year 2024, the University issued $97.1 million in Student Fee Revenue Bonds. Bond proceeds consisting of the par amount together with the issued premium will reimburse the University for capital expenditures of the newly constructed South Campus Residence Hall.

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 2024.

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:



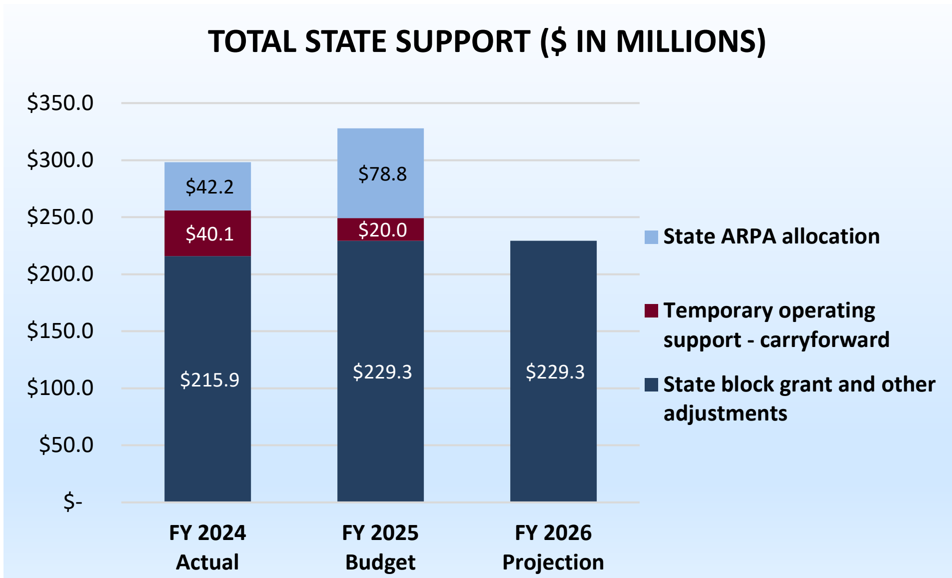
ECONOMIC OUTLOOK

Based on recent data, the State's economy grew at an annual rate of 2.8 percent in the second quarter of 2024, slightly below the national average of 3.0 percent. The State's monthly unemployment rate for September 2024 was 3.2 percent, below the national average of 4.1 percent, indicating a stable job market. The State has maintained a balanced budget for fiscal year 2024, with an estimated surplus of over $400 million in the General Fund, which is crucial for state-funded institutions like the University. However, Connecticut is one of the more expensive states to live in, ranking in the top ten for cost of living, impacting both students and staff.

In June 2024, the Board of Trustees approved the spending plan for the fiscal year 2025. This budget will serve as the baseline as the University progresses with its Strategic Plan, a major initiative designed to enhance the University's academic excellence, research capabilities, and community engagement, while also prioritizing financial stability.

The fiscal year 2025 spending plan consists of $1,671.3 million in revenues and $1,683.6 million in expenses, using $12.3 million in unrestricted reserves to balance the budget. State support budgeted for fiscal year 2025 includes $328.1 million, with one-time support of $98.8 million. The additional one-time support includes $78.8 million from the State's ARPA allocation and $20.0 million in carryforward funds, which will be used to cover collective bargaining increases and nonretirement fringe benefit costs. However, actual State support received in fiscal year 2025, including the State ARPA allocation, is expected to be less than the budgeted amounts based on the current availability of funds and resources required by the State.

Furthermore, the significant one-time support will require the University to implement strategic financial improvement plans over the next biennial budget. The table below provides a breakdown of State support, comparing the actual figures for fiscal year 2024 with the budgeted amounts for fiscal year 2025 and the projected figures for fiscal year 2026:



The fiscal year 2025 budget includes a $678 increase in full-time tuition, with total tuition and fee revenues amounting to $727.0 million, making up 43 percent of the budget. Auxiliary enterprise revenues are budgeted at $242.2 million, including increases in housing and dining rates and revenue generated by the new South Campus Residence Hall, opening in the fall of 2024. Under the new operating budget, expenses are expected to increase approximately 5.8 percent over fiscal year 2024. This increase is primarily driven by salary and wage increases and a 10 percent rise in tuition-funded financial aid, reflecting the University's commitment to supporting students financially, which helps maintain student quality and diversity.

The capital plan for the fiscal year 2025 is set at $160.0 million, with $122.0 million coming from UCONN 2000 General Obligation Bond funds, $20.0 million from State General Obligation Bond funds, and $18.0 million from University funds, including gifts. Fiscal year 2025 represents the 11th year of the 17-year Next Generation Connecticut (NextGenCT) initiative, financing several ongoing projects and allocating $692 million in funding through fiscal year 2031. For fiscal year 2025, NextGenCT funds will facilitate various capital renovations and improvements throughout the campus.

As the University moves forward with its Strategic Plan and fiscal year 2025 budget, it remains committed to fostering academic excellence, research innovation, and community engagement while ensuring financial sustainability and resilience. The University's proactive approach to financial planning and strategic investments will be crucial in navigating the evolving economic environment and maintaining its role as a major economic engine for the State.

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UNIVERSITY OF CONNECTICUT
STATEMENT OF NET POSITION
As of June 30, 2024

($ in thousands)

	2024
ASSETS	
Current Assets	
Cash and cash equivalents	$ 331,527
Accounts receivable, net	108,480
Student and other loans receivable, net	1,155
Due from State of Connecticut	5,406
Due from affiliate	8,917
State debt service commitment	160,394
Deposits with bond trustee	238,323
Prepaid expenses and other assets	3,773
Total Current Assets	857,975
Noncurrent Assets	
Lease receivables	1,498
Investments	21,898
Student and other loans receivable, net	1,910
State debt service commitment	1,499,380
Capital assets, net	2,756,256
Total Noncurrent Assets	4,280,942
Total Assets	5,138,917
DEFERRED OUTFLOWS OF RESOURCES	325,968
LIABILITIES	
Current Liabilities	
Accounts payable	72,939
Lease and subscription liabilities	10,556
Unearned revenue	57,418
Deposits held for others	2,089
Federal refundable loans	729
Wages payable	63,708
Compensated absences	23,440
Due to State of Connecticut	15,654
Due to affiliate	13,692
Current portion of long-term debt and bonds payable	173,524
Other current liabilities	40,936
Total Current Liabilities	474,685
Noncurrent Liabilities	
Compensated absences	20,926
Lease and subscription liabilities	142,081
Long-term debt and bonds payable	1,979,328
Federal refundable loans	2,901
Net pension liabilities	777,416
Net other post-employment benefits liability	1,335,953
Other liabilities	1,235
Total Noncurrent Liabilities	4,259,840
Total Liabilities	4,734,525
DEFERRED INFLOWS OF RESOURCES	1,006,494

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

UNIVERSITY OF CONNECTICUT
STATEMENT OF NET POSITION
As of June 30, 2024

($ in thousands)

	2024
NET POSITION	
Net investment in capital assets	1,013,195
Restricted nonexpendable	16,434
Restricted expendable	
Research, instruction, scholarships, and other	35,810
Loans	1,882
Capital projects	41,535
Debt service	1,207,022
Unrestricted	(2,592,012)
Total Net Position	$ (276,134)

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, 2024

($ in thousands)

	2024
OPERATING REVENUES	
Student tuition and fees, net of scholarship allowances of $246,412	$ 464,993
Federal grants and contracts	190,068
State and local grants and contracts	25,880
Nongovernmental grants and contracts	23,777
Sales and services of educational departments	16,906
Sales and services of auxiliary enterprises, net of scholarship allowances of $15,128	229,660
Other sources	33,909
Total Operating Revenues	985,193
OPERATING EXPENSES	
Salaries and wages	732,876
Fringe benefits	279,491
Supplies and other expenses	321,055
Utilities	22,639
Depreciation and amortization	144,389
Scholarships and fellowships	23,837
Total Operating Expenses	1,524,287
Operating Loss	(539,094)
NONOPERATING REVENUES (EXPENSES)	
State appropriation	256,038
State debt service commitment for interest	77,089
Federal and state financial aid	103,976
Gifts	37,427
Investment income	25,056
Interest expense	(71,940)
Disposal of capital assets, net	(4,479)
Other nonoperating expense, net	(290)
Net Nonoperating Revenues	422,877
Loss Before Other Changes in Net Position	(116,217)
OTHER CHANGES IN NET POSITION	
State debt service commitment for principal	209,225
Capital allocation	45,000
Capital grants and gifts	7,454
Additions to permanent endowments	191
Net Other Changes in Net Position	261,870
Increase in Net Position	145,653
NET POSITION	
Net Position – Beginning of Year	(421,787)
Net Position – End of Year	$ (276,134)

See accompanying notes to basic financial statements.

UNIVERSITY OF CONNECTICUT
STATEMENT OF CASH FLOWS
For the Year Ended June 30, 2024

($ in thousands)

	2024
CASH FLOWS FROM OPERATING ACTIVITIES	
Student tuition and fees	$ 456,329
Grants and contracts	224,540
Sales and services of educational departments	16,725
Sales and services of auxiliary enterprises	229,833
Payments to employees	(724,242)
Payments for benefits	(172,856)
Payments to suppliers and others	(365,846)
Collections of loans to students	806
Loans issued to students	(362)
Fiduciary activities – third-party student receipts and other	95,089
Fiduciary activities – third-party student payments and other	(94,931)
Fiduciary activity – direct lending receipts	175,782
Fiduciary activity – direct lending payments	(176,176)
Other cash receipts	40,720
Net Cash Used in Operating Activities	(294,589)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
State appropriation	258,470
Federal and state financial aid	140,614
Gifts	41,711
State debt service commitment related to affiliate	54,150
Proceeds from bonds related to affiliate	8,000
Principal paid on debt related to affiliate	(36,158)
Interest paid on debt related to affiliate	(17,992)
Principal paid on other noncapital debt	(1,185)
Interest paid on other noncapital debt	(108)
Net Cash Provided from Noncapital Financing Activities	447,502
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Proceeds from bonds	332,096
State debt service commitment	151,226
Proceeds from the lease of assets	192
Principal paid on debt and other obligations	(120,804)
Interest paid on debt and other obligations	(72,234)
Proceeds from sale of capital assets	488
Purchases of capital assets	(234,706)
Capital allocation	40,000
Proceeds from insurance and litigation claims for capital assets	11
Capital grants and gifts	4,628
Net Cash Provided from Capital and Related Financing Activities	100,897
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of investments	(24)
Sale of investments	171
Interest on investments	23,285
Withdrawals from bond trustee accounts	157,968
Deposits into bond trustee accounts	(346,354)
Net Cash Used in Investing Activities	(164,954)
INCREASE IN CASH AND CASH EQUIVALENTS	88,856

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

UNIVERSITY OF CONNECTICUT
STATEMENT OF CASH FLOWS
For the Year Ended June 30, 2024

($ in thousands)

		2024
BEGINNING CASH AND CASH EQUIVALENTS		242,671
ENDING CASH AND CASH EQUIVALENTS	$	331,527

RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES		
Operating Loss	$	(539,094)
Adjustments to Reconcile Operating Loss to Net Cash Used in Operating Activities:		
Depreciation and amortization expense		144,389
Impairment loss		227
Changes in Assets, Deferred Outflows of Resources, Liabilities, and Deferred Inflows of Resources:		
Receivables, net		(22,294)
Student and other loans receivable, net		545
Due from affiliate		6,982
Prepaid expenses and other assets		1,605
Deferred outflows of resources		430,621
Accounts payable, wages payable, and compensated absences		13,978
Unearned revenue		7,564
Deposits held for others		(175)
Federal refundable loans		(536)
Due to State of Connecticut		(419)
Due to affiliate		(8,154)
Net pension and net other post-employment benefits liabilities		(305,530)
Other liabilities		(103)
Deferred inflows of resources		(24,195)
Net Cash Used in Operating Activities	$	(294,589)

ACCOMPANYING SCHEDULE OF SIGNIFICANT NONCASH TRANSACTIONS		
Net proceeds from bonds issued to refund capital debt	$	140,820
Amortization of premiums, discounts, and gains and losses on debt refundings		24,822
Acquisition of right-to-use lease and subscription assets, excluding upfront implementation costs of $2,619 and an impairment loss on leased asset of $227		21,562
Change in fair value of investments		2,300
Capital assets acquired through gifts		2,926
Net loss on disposal of capital assets with an original cost of $43,754, accumulated depreciation of $38,518, cash proceeds of $488, and reductions in right-to-use assets of $269		(4,479)

See accompanying notes to basic financial statements.

UNIVERSITY OF CONNECTICUT
STATEMENT OF FIDUCIARY NET POSITION – PENSION TRUST FUND
As of June 30, 2024

($ in thousands)

	2024
ASSETS	
Cash and cash equivalents	$ 882
Receivable from employer	442
Investments at fair value:	
Bond funds	5,218
Equity funds	7,008
Total investments	12,226
Total Assets	13,550
LIABILITIES	
Accounts payable and other liabilities	213
Total Liabilities	213
NET POSITION	
Restricted for pensions	13,337
Total Net Position	$ 13,337

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION – PENSION TRUST FUND
For the Year Ended June 30, 2024

($ in thousands)

	2024
ADDITIONS	
Employer contributions	$ 928
Investment Earnings:	
Increase in fair value of investments	1,017
Dividends and interest	453
Total investment earnings	1,470
Less: investment fees and charges	70
Net investment earnings	1,400
Total Additions	2,328
DEDUCTIONS	
Benefits paid to participants or beneficiaries	763
Net Increase in Fiduciary Net Position	1,565
Net Position – Beginning of Year	11,772
Net Position – End of Year	$ 13,337

See accompanying notes to basic financial statements.

Notes to Financial Statements
For the Year Ended June 30, 2024

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, which 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, 2024, 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.

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 primarily consist 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 and Due to State of Connecticut
The amount due from the State primarily consists of unspent State bond funds allocated by the State Bond Commission but not yet received for specific capital projects. It also includes an appropriation receivable from the State to reimburse certain payroll expenses. Additionally, the State administers employee benefits and retirement plans for University State employees. Fringe benefits accrued at the end of the year related to State employees are reported as a liability due to the State.

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

State Debt Service Commitment
The State has committed to paying 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 into 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 aims to balance an appropriate risk-return level, heavily weighted towards asset safety, 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 periodically transfers unrestricted funds 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 certain 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 as follows:

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 Subscription-Based Information Technology Arrangements

The University leases building space and equipment from external parties and enters into subscription-based information technology arrangements (SBITAs). 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 that are required to be returned beyond one year to the federal government upon cessation of the program. Net pension and net other post-employment benefits (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 the 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 as deferred outflows or deferred inflows of resources. Contributions to the pension and OPEB plans made by the University subsequent to the measurement date of the net pension and net OPEB liabilities are reported as deferred outflows of resources. See also State Funding for Employee Retirement and OPEB Plans for further information regarding pension and OPEB contributions.

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:** This includes capital assets, net of accumulated depreciation and amortization, reduced by outstanding principal balances of bonds, notes, lease and subscription liabilities, and other liabilities that are attributable to the acquisition, construction, or improvement of those assets. It also includes deferred outflows of resources and deferred inflows of resources that are related to the acquisition, construction, or improvement of those assets or associated debt.

- **Restricted nonexpendable:** These are endowment and similar assets where 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:** These assets, reduced by related liabilities and deferred inflows of resources, 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:** This category includes 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 several 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 revenue be reported net of scholarship discounts and allowances. This represents the difference between the stated charge for the University's goods and services and the actual amount paid by or on behalf of students. Any financial aid applied directly to student accounts for tuition and fees, housing, or dining services is recorded as a scholarship allowance deducted from the University's operating revenues. The scholarships and fellowships expense in the accompanying Statement of Revenues, Expenses, and Changes in Net Position includes financial aid disbursed directly to students. In fiscal year 2024, the University implemented changes in the calculation of scholarship discounts and allowances. See Note 17 for additional disclosures regarding the change in accounting estimate.

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, which cover a two-year period but include an annual settlement of actual expenses. 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).

State Funding for Employee Retirement and OPEB Plans

Effective July 1, 2023, the State covers all retirement-related fringe benefit costs for University employees enrolled in the State's retirement systems and the Alternate Retirement Plan. Therefore, these costs are no longer charged to the University through a fringe benefit rate assessment. As such, the State did not charge the University for the contributions it made to the pension and OPEB plans in fiscal year 2024.

Since the University is included as an enterprise fund of the State and is not a legally separate entity, the retirement costs funded by the State are not reflected as on-behalf revenues or expenses in the accompanying financial statements.

The University's proportions of the collective net pension and net OPEB liabilities are based on its share of contributions, relative to total contributions made to the respective defined benefit plans. In accordance with GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, and GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, these liabilities are reported as of the measurement date of June 30, 2023, which is one year before the reported fiscal year-end of June 30, 2024. Because the State allocated pension and OPEB costs to the University during the measurement period, the University is required to report its proportionate share of the collective net pension and net OPEB liabilities, related deferred outflows and deferred inflows of resources, and related expenses in the accompanying financial statements for fiscal year 2024. Furthermore, the amounts reported do not reflect legislative changes effective after the measurement date of June 30, 2023. See Notes 9, 10, and 14 for additional details.

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, 2024 (amounts in thousands):

	2024
Cash and Cash Equivalents	
Cash maintained by State Treasurer	$ 267,605
Invested in STIF	57,839
Other deposits	6,083
Total Cash and Cash Equivalents	331,527
Deposits with Bond Trustee	
Invested in STIF	238,323
Total Deposits with Bond Trustee	238,323
Investments	
Foundation-managed endowments	21,189
UConn Innovations Fund, LLC	709
Total Investments	21,898
Total Cash and Cash Equivalents, Deposits, and Investments	$ 591,748

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 investments 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, money market mutual funds, repurchase agreements, and asset-backed securities. STIF had a Standard and Poor's rating of AAAm and a weighted average maturity of 33 days as of June 30, 2024.

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, 2024, deposits with bond trustee included $238.3 million invested in STIF. Of this amount, $18.4 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, 2024, net appreciation gains of $4.8 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 the 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, stipulating 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 $2.1 million as of June 30, 2024. 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 $5.3 million as of June 30, 2024. Private capital investments totaled approximately $234,000 as of June 30, 2024.

Other Investments
Certain investments are also held directly by the University. As of June 30, 2024, the University held an ownership interest in UConn Innovation Fund, LLC (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 $18.8 million as of June 30, 2024. Investment income earned on these assets is transferred to the University in accordance with applicable trust agreements. Income received from those sources for the fiscal year ended June 30, 2024, was $701,000.

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, conducting site visits, participating in investor calls, and reviewing 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 reconcile the fair value hierarchy to the investment balances presented in the Statement of Net Position and the Statement of Fiduciary Net Position as of June 30, 2024 (amounts in thousands):

	2024				
	Level 1	Level 2	Level 3	NAV	Total
Foundation-Managed Investments					
Cash and cash equivalents	$ 494	$ -	$ -	$ -	$ 494
Fixed income securities					
Corporate investment grade	2,096	-	-	-	2,096
Equity securities					
Domestic	12,589	-	-	-	12,589
Offshore	5,260	-	-	-	5,260
Private capital					
Buyout and venture capital	-	-	-	119	119
Debt	-	-	-	115	115
Long and short equities	-	-	-	1	1
Private real estate	-	-	-	8	8
Private natural resources	-	-	-	108	108
Relative value	-	-	-	399	399
Total Foundation-Managed Investments	20,439	-	-	750	21,189
University-Held Investments					
Other	-	-	-	709	709
Total University-Held Investments	-	-	-	709	709
Total Investments – University	$ 20,439	$ -	$ -	$ 1,459	$ 21,898
Fiduciary Investments					
Cash and cash equivalents	$ 882	$ -	$ -	$ -	$ 882
Debt securities	5,218	-	-	-	5,218
Equity securities	7,008	-	-	-	7,008
Total Investments – Fiduciary	$ 13,108	$ -	$ -	$ -	$ 13,108

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, 2024 (amounts in thousands):

	2024				
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	$ 234	$ 110	Less than 1 to 8 years	Not applicable	Not redeemable
Private real estate partnerships in commercial, residential, office, and industrial properties	8	35	1 to 3 years	Not applicable	Not redeemable
Natural resource partnerships in energy and timber	108	5	1 to 5 years	Not applicable	Not redeemable
Total	$ 350	$ 150			

NOTE 3. ACCOUNTS AND LOANS RECEIVABLE

Accounts Receivable, Net

Accounts receivable as of June 30, 2024, consisted of the following (amounts in thousands):

	2024
Grants and contracts	$ 79,455
Student and general	41,815
Investment and interest income	4
Lease receivables	147
Allowance for doubtful accounts	(12,941)
Total Accounts Receivable, Net	$ 108,480

The University participates in the U.S. Department of Education Federal Direct Lending Program. Under this program, the University distributed loans of $176.2 million in fiscal year 2024 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, 2024, was $1.2 million; this amount was included as a receivable under grants and contracts.

Student and Other Loans Receivable, Net

As of June 30, 2024, the University reported current and noncurrent student and other loans receivable of $1.2 million and $1.9 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, 2024. 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, 2024 (amounts in thousands):

	Balance July 1, 2023	Additions	Retirements	Transfers	Balance June 30, 2024
Capital Assets Not Being Depreciated					
Land	$ 32,433	$ -	$ (89)	$ -	$ 32,344
Construction in progress	163,971	162,832	-	(10,946)	315,857
Art and historical collections	57,947	2,821	-	(43)	60,725
Total Capital Assets Not Being Depreciated	254,351	165,653	(89)	(10,989)	408,926
Depreciable Capital Assets					
Non-structural improvements	606,598	10,077	(388)	340	616,627
Buildings and improvements	3,233,656	30,582	(6,560)	10,606	3,268,284
Intangible assets	53,583	1,718	(10,033)	-	45,268
Right-to-use assets	156,261	23,954	(3,437)	-	176,778
Library materials	56,258	331	-	43	56,632
Equipment	310,398	19,871	(23,247)	-	307,022
Total Depreciable Capital Assets	4,416,754	86,533	(43,665)	10,989	4,470,611
Less Accumulated Depreciation					
Non-structural improvements	223,209	16,067	(388)	-	238,888
Buildings and improvements	1,456,402	92,148	(2,299)	-	1,546,251
Intangible assets	41,708	3,594	(10,033)	-	35,269
Right-to-use assets	17,700	14,056	(3,278)	-	28,478
Library materials	52,924	557	-	-	53,481
Equipment	225,467	17,967	(22,520)	-	220,914
Total Accumulated Depreciation	2,017,410	144,389	(38,518)	-	2,123,281
Depreciable Capital Assets, Net	2,399,344	(57,856)	(5,147)	10,989	2,347,330
Capital Assets, Net	$ 2,653,695	$ 107,797	$ (5,236)	$ -	$ 2,756,256

NOTE 5. CURRENT LIABILITIES

The following tables reflect the composition of certain current liabilities balances as of June 30, 2024 (amounts in thousands):

	2024
Accounts Payable	
Construction suppliers	$ 21,349
Other suppliers	34,498
Construction retainage	17,092
Total Accounts Payable	$ 72,939
Unearned Revenue	
Tuition, fees, and other student charges	$ 22,896
Amounts received from grant sponsors	26,514
Athletic tickets, commitments, and other	8,008
Total Unearned Revenue	$ 57,418
Other Current Liabilities	
Accrued interest	$ 27,320
Environmental remediation	11,323
Other accrued expenses	1,756
Barnes & Noble agreement	537
Total Other Current Liabilities	$ 40,936

NOTE 6. LONG-TERM DEBT AND BONDS PAYABLE

Long-term debt activity for the year ended June 30, 2024, was as follows (amounts in thousands):

	Balance July 1, 2023	Additions	Retirements	Balance June 30, 2024	Current Portion
General obligation bonds	$ 1,548,375	$ 358,045	$ (271,275)	$ 1,635,145	$ 135,765
Student Fee Revenue Bonds	183,605	97,140	(9,205)	271,540	11,085
Financed purchase agreements					
Cogeneration Facility	13,454	-	(5,291)	8,163	5,412
Installment loans	165	-	(58)	107	46
American Athletic Conference exit fee	4,900	-	(1,185)	3,715	1,211
Total Long-Term Debt	1,750,499	455,185	(287,014)	1,918,670	153,519
Premiums and discounts	239,330	30,038	(35,186)	234,182	20,005
Total Long-Term Debt, Net	$ 1,989,829	$ 485,223	$ (322,200)	$ 2,152,852	$ 173,524

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 36-year capital budget program in three phases, estimated to cost $5,257.3 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, which included projects at UConn Health.

In 2010, the General Assembly enacted and the Governor signed Public Act (PA) 10-104, which 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 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 total authorization amount for fiscal years 1996 to 2027 to $4,307.9 million. The estimated costs in the Act were also changed, including an increase for the project known as “Deferred Maintenance/Code/ADA Compliance/Infrastructure & Improvements Renovation Lump Sum and Utility, Administrative and Support Facilities – Health Center”.

In 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. This decreased the total authorization for fiscal year 1996 to 2027 to $4,295.9 million.

In 2024, the General Assembly enacted and the Governor signed PA 24-151, which extended UCONN 2000 for an additional four fiscal years to 2031. The estimated cost of the Act also increased to $5,257.3 million. PA 24-151 increased the authorized funding amount for bonds secured by the State debt service commitment for fiscal years 2025 to 2027 by $295.0 million and included new authorizations for fiscal years 2028 to 2031 of $330.0 million, which increased the total authorization for fiscal years 1996 to 2031 to $4,920.9 million.

UCONN 2000 is to be funded in part by the issuance of $4,920.9 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, 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.

In November 2023, the University issued general obligation bonds with a face value of $358.0 million. This issuance consisted of $224.5 million in General Obligation 2023 Series A Bonds and $133.5 million in General Obligation 2023 Refunding Series A Bonds. The bonds were issued at a premium of $26.2 million. The total net proceeds from the General Obligation 2023 Series A Bonds were $240.0 million after the payment of issuance costs and underwriter fees. Of this amount, $8.0 million was allocated to finance projects at UConn Health.

Net proceeds realized from the General Obligation 2023 Refunding Series A Bonds were used to refund $86.3 million of the General Obligation 2013 Series A Bonds, and $54.5 million of the General Obligation 2014 Series A Bonds, both in advance of maturity. These refundings reduced the general obligation debt service in future years by $10.8 million and resulted in an economic gain (present value of the savings) of $8.4 million. The difference between the reacquisition price and the net carrying amount of the old debt resulted in a gain of $14.1 million. The gain was recorded as a deferred inflow of resources in the accompanying Statement of Net Position and is amortized to interest expense through fiscal year 2034 using the straight-line method.

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, 2024, the total State debt service commitment for principal recognized was $209.2 million. 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, 2024, the unspent portion of this balance was $13.7 million. In addition, nonoperating revenue for State debt service commitment for interest on general obligation bonds of $77.1 million was recognized for the year ended June 30, 2024, of which approximately $17.6 million was associated with UConn Health projects. As of June 30, 2024, approximately $372.7 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 2023, the University issued the Special Obligation Student Fee Revenue Bonds, 2023 Series A at a face value of $97.1 million. The total bonds were issued at a premium of $3.8 million. Total net proceeds realized from the 2023 bonds were $100.0 million after the payment of issuance costs and underwriter fees.

Student Fee Revenue Bonds are secured by certain pledged revenues as defined in the indenture. In fiscal year 2024, this included gross and net revenues of approximately $126.5 million. Gross pledged revenues consist of 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 accounting for the cost of maintaining, repairing, insuring, and operating the facilities but before depreciation expense is deducted. The University has covenanted to collect fees each fiscal year that represent pledged revenues, ensuring that the total gross and net revenue amount is at least 1.25 times the debt service requirement for the 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, 2024, was $465.9 million. The total amounts paid from pledged revenues in fiscal year 2024 were $9.2 million for the principal and $11.3 million for the interest.

Unamortized premiums and discounts are recorded as additions to or reductions from 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, 2024, consisted of the following (amounts in thousands):

Type of Bond and Issue Date	Original Amount	Maturity Dates Through Fiscal Year	Interest Rate	2024 Balance
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%	121,085
GO 2015 Refunding Series A	34,625	2026	4.0-5.0%	6,835
GO 2016 Series A	261,510	2036	3.0-5.0%	156,900
GO 2016 Refunding Series A	80,425	2027	4.0-5.0%	11,200
GO 2017 Series A	311,200	2037	2.5-5.0%	202,280
GO 2018 Series A	276,075	2038	3.0-5.0%	193,250
GO 2019 Series A	174,785	2038	3.0-5.0%	131,085
GO 2019 Refunding Series A	64,680	2028	5.0%	32,335
GO 2020 Series A	160,230	2041	3.0-5.0%	136,185
GO 2020 Refunding Series A	119,085	2031	1.5-5.0%	77,500
GO 2022 Series A	227,185	2042	3.0-5.0%	204,465
GO 2023 Series A	224,540	2044	5.0%	224,540
GO 2023 Refunding Series A	133,505	2034	5.0%	133,505
Total General Obligation Bonds	2,380,950			1,635,145
SFR 2018 Series A	141,725	2048	3.0-5.25%	128,305
SFR 2022 Refunding Series A	52,515	2030	5.0%	46,095
SFR 2023 Series A	97,140	2054	5.0-5.5%	97,140
Total Student Fee Revenue Bonds	291,380			271,540
Total Bonds	$ 2,672,330			$ 1,906,685

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
2025	$ 135,765	$ 78,453	$ 214,218	$ 11,085	$ 13,387	$ 24,472
2026	131,975	71,709	203,684	11,630	12,833	24,463
2027	128,225	65,136	193,361	12,240	12,237	24,477
2028	124,310	58,799	183,109	12,860	11,609	24,469
2029	124,380	52,579	176,959	13,510	10,950	24,460
2030-2034	548,585	178,563	727,148	39,265	47,534	86,799
2035-2039	335,695	65,133	400,828	38,895	39,014	77,909
2040-2044	106,210	11,505	117,715	49,435	28,465	77,900
2045-2049	-	-	-	54,490	14,254	68,744
2050-2054	-	-	-	28,130	4,038	32,168
Total	$ 1,635,145	$ 581,877	$ 2,217,022	$ 271,540	$ 194,321	$ 465,861

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. As of June 30, 2024, the reported amount was shown net of imputed interest totaling $165,000. 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, 2024, consisted of the following (amounts in thousands):

Type of Debt and Issue Date	**Original Amount**	**Maturity Dates Through Fiscal Year**	**Interest Rate**	**2024 Balance**
Financed purchase agreements				
Cogeneration Facility	$ 81,900	2026	2.22%	$ 8,163
Installment loans	267	2027	3.23%	107
American Athletic Conference exit fee	7,194	2027	2.20%	3,715
Total Other Debt	$ 89,361			$ 11,985

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**
2025	$ 6,669	$ 212	$ 6,881
2026	4,046	74	4,120
2027	1,270	28	1,298
Total	$ 11,985	$ 314	$ 12,299

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, 2024, is shown below (amounts in thousands):

	Balance July 1, 2023	Additions	Deductions	Balance June 30, 2024
Right-to-Use Assets				
Lease assets				
Buildings	$ 139,173	$ 8,659	$ (719)	$ 147,113
Equipment	4,739	435	(11)	5,163
Subscription assets	12,349	14,860	(2,707)	24,502
Total Right-to-Use Assets	156,261	23,954	(3,437)	176,778
Less Accumulated Amortization				
Lease assets				
Buildings	12,685	6,328	(561)	18,452
Equipment	706	495	(11)	1,190
Subscription assets	4,309	7,233	(2,706)	8,836
Total Accumulated Amortization	17,700	14,056	(3,278)	28,478
Total Right-to-Use Assets, Net	$ 138,561	$ 9,898	$ (159)	$ 148,300

In fiscal year 2024, the University recorded a lease impairment loss totaling $227,000 due to a service life interruption of the Hartford Public Library lease. There was no corresponding change in the lease liability.

A summary of changes in the related liabilities during the year ended June 30, 2024, was as follows (amounts in thousands):

	Balance July 1, 2023	Additions	Deductions	Balance June 30, 2024	Current Portion
Lease liabilities	$ 135,733	$ 9,322	$ (4,589)	$ 140,466	$ 4,713
Subscription liabilities	7,565	12,240	(7,634)	12,171	5,843
Total Lease and Subscription Liabilities	$ 143,298	$ 21,562	$ (12,223)	$ 152,637	$ 10,556

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
2025	$ 4,713	$ 3,962	$ 8,675	$ 5,843	$ 481	$ 6,324
2026	5,043	3,849	8,892	3,640	292	3,932
2027	4,970	3,745	8,715	1,695	123	1,818
2028	4,362	3,574	7,936	609	48	657
2029	3,561	3,446	7,007	112	18	130
2030-2034	17,507	15,626	33,133	272	27	299
2035-2039	11,318	13,377	24,695	-	-	-
2040-2044	11,898	11,820	23,718	-	-	-
2045-2049	15,422	9,874	25,296	-	-	-
2050-2054	19,317	7,451	26,768	-	-	-
2055-2059	24,482	4,345	28,827	-	-	-
2060-2064	17,873	820	18,693	-	-	-
Total	$ 140,466	$ 81,889	$ 222,355	$ 12,171	$ 989	$ 13,160

For lessor arrangements, the University recognized lease and interest income of $197,000 for the fiscal year ended June 30, 2024.

NOTE 8. OTHER LONG-TERM LIABILITIES

Long-term liability activity other than debt and lease and subscription liabilities for the year ended June 30, 2024, was as follows (amounts in thousands):

	Balance July 1, 2023	Additions	Deductions	Balance June 30, 2024	Current Portion
Compensated absences	$ 42,560	$ 5,452	$ (3,646)	$ 44,366	$ 23,440
Federal refundable loans	4,101	374	(845)	3,630	729
Net pension liabilities	1,035,614	87,116	(345,314)	777,416	-
Net OPEB liability	1,383,285	94,802	(142,134)	1,335,953	-
Other liabilities					
Barnes & Noble agreement	2,165	-	(537)	1,628	537
Asset retirement obligation	144	-	-	144	-
Total Other Long-Term Liabilities	$ 2,467,869	$ 187,744	$ (492,476)	$ 2,163,137	$ 24,706

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 the next 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 offers 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 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 is 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, 2024, are 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 contributions 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 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.

The University's contributions to SERS and TRS during the July 1, 2022 – June 30, 2023 measurement period were determined by applying fringe benefit rates assessed by the State to eligible salaries and wages in each participant category. However, legislation effective July 1, 2023, changed the University's State funding structure concerning employer contributions (see Note 14). As a result, the University did not make any contributions to SERS and TRS in fiscal year 2024, as these were funded by the State. Furthermore, no amounts were reported as deferred outflows of resources as of June 30, 2024, for contributions made subsequent to the measurement date.

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, 2023, 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 3.72 percent and 0.03 percent for SERS and TRS, respectively, at the measurement date of June 30, 2023. SERS decreased by 0.94 percentage points from its proportion measured as of June 30, 2022, and TRS decreased by 0.01 percentage points from the same measurement date.

The University's proportionate share of the collective NPL at June 30, 2024, and related pension expense for fiscal year 2024 consisted of the following (amounts in thousands):

	SERS	TRS	Total
Proportionate share of the collective NPL	$ 772,476	$ 4,940	$ 777,416
Pension expense	$ 46,782	$ 266	$ 47,048

Legislative changes effective after the June 30, 2023 measurement date are anticipated to impact the University's proportionate share of the collective net pension liabilities, deferred inflows and deferred outflows of resources, and related pension expenses in future reporting periods. The implications 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, 2024, 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	$ -	$ 359	$ 359
Changes in proportion and differences between University contributions and proportionate share of contributions	58,442	227	58,669
Net differences between projected and actual earnings on pension plan investments	14,691	201	14,892
Difference between expected and actual experience	80,759	175	80,934
Total Deferred Outflows	$ 153,892	$ 962	$ 154,854
Deferred Inflows of Resources			
Changes in assumptions	$ 785	$ -	$ 785
Changes in proportion and differences between University contributions and proportionate share of contributions	393,088	1,422	394,510
Difference between expected and actual experience	-	39	39
Total Deferred Inflows	$ 393,873	$ 1,461	$ 395,334

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
2025	$ (40,723)	$ 92	$ (40,631)
2026	(75,995)	(53)	(76,048)
2027	(74,920)	(8)	(74,928)
2028	(42,085)	(263)	(42,348)
2029	(6,258)	(210)	(6,468)
Thereafter	-	(57)	(57)
Total	$ (239,981)	$ (499)	$ (240,480)

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, 2023 measurement date are summarized in the following table for SERS and TRS:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global equity	37.0%	6.8%
Public credit	2.0%	2.9%
Core fixed income	13.0%	0.4%
Liquidity fund	1.0%	-0.4%
Risk mitigation	5.0%	0.1%
Private equity	15.0%	11.2%
Private credit	10.0%	6.1%
Real estate	10.0%	6.2%
Infrastructure and natural resources	7.0%	7.7%
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	$ 958,796	$ 772,476	$ 617,159
TRS	$ 6,454	$ 4,940	$ 3,683

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, 2023.

Alternate Retirement Plan

The University also offers 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*.

Legislation effective July 1, 2023, changed the University's State funding structure concerning employer contributions (see Note 14). As a result, for the fiscal year ended June 30, 2024, the University did not make any contributions or report pension expenses for ARP, as these were funded by the State.

Department of Dining Services

The University's Department of Dining Services (DDS) employs 474 full-time staff, of which 60 participate in either SERS or ARP. The remaining 414 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. Other plan provisions can be found in the 403(b) Retirement Plan document.

For the fiscal year ended June 30, 2024, pension expense was $921,000, net of forfeitures of $8,000, for the MPPP, and $171,000 for the 403(b) Retirement Plan. At June 30, 2024, the University recorded payables for outstanding contributions of $442,000 and $74,000, for the 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 for non-contributory members and 100 percent for contributory members through an annual appropriation in the General Fund. 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, the University's contributions to SEOPEBP during the July 1, 2022 – June 30, 2023 measurement period were determined by applying fringe benefit rates assessed by the State to eligible salaries and wages in each participant category. However, legislation effective July 1, 2023, changed the University's State funding structure concerning employer contributions (see Note 14). As a result, the University did not make any contributions to SEOPEBP in fiscal year 2024, as these were funded by the State. Furthermore, no amounts were reported as deferred outflows of resources as of June 30, 2024, for contributions made subsequent to the measurement date.

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, 2023. The TOL measured since the prior measurement date of June 30, 2022, reflects changes in actuarial assumptions. The discount rate was updated for contributory and non-contributory members. Per capita health costs, administrative costs, and retiree contributions were updated for recent experience. Actuarial factors used to estimate individual retiree and spouse costs by age and gender were adjusted. In addition, healthcare cost trend rates and retiree contribution rates were adjusted. The Medicare prescription drug trend rates were also updated to reflect an estimate for the impact of the Inflation Reduction Act.

The University's proportion of the collective NOL was based on its share of contributions relative to total contributions made to SEOPEBP. Based on this calculation, the University's proportion was 8.56 percent as of the measurement date of June 30, 2023, which was a decrease of 0.37 percentage points from its proportion measured as of June 30, 2022.

The University's proportionate share of the collective NOL at June 30, 2024, and related OPEB expense for fiscal year 2024 are shown below (amounts in thousands):

	SEOPEBP
Proportionate share of the collective NOL	$ 1,335,953
OPEB expense	$ 53,845

Legislative changes effective after the June 30, 2023 measurement date are anticipated to impact the University's proportionate share of the collective net OPEB liabilities, deferred inflows and deferred outflows of resources, and related OPEB expenses in future reporting periods. The implications of these changes are still being evaluated as of the reporting date.

At June 30, 2024, 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	
Changes in assumptions	$ 114,228
Changes in proportion	34,294
Net differences between projected and actual earnings on OPEB plan investments	8,378
Difference between expected and actual experience	13,956
Total Deferred Outflows	$ 170,856
Deferred Inflows of Resources	
Changes in assumptions	$ 411,033
Changes in proportion	77,557
Difference between expected and actual experience	91,302
Total Deferred Inflows	$ 579,892

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
2025	$ (118,401)
2026	(162,363)
2027	(96,401)
2028	(29,121)
2029	(2,750)
Total	$ (409,036)

Actuarial assumptions. The TOL was determined by an actuarial valuation as of June 30, 2023, 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	6.90% for contributory members and 3.65% for non-contributory members as of June 30, 2023
Healthcare cost trend rates	
Medical (non-Medicare)	-0.35%, then 5.75% decreasing by 0.25% each year to an ultimate level of 4.50% per year
Prescription drug (non-Medicare)	2.35%, then 6.50% decreasing by 0.25% each year to an ultimate level of 4.50% per year
Medical and prescription drug (Medicare)	32.51%. 59.22%, 28.24% then 5.75% decreasing by 0.25% each year to an ultimate level of 4.50% per year
Dental	2.60%, 4.45%, then an ultimate level of 3.00% per year
Part B	4.50% per year
Administrative expense	1.85%, 3.30% then 3.00% per year

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 3.90 percent as of June 30, 2022, to 6.90 percent for contributory members and 3.65 percent for non-contributory members, as of June 30, 2023. 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. For contributory members, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current contributory plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the TOL as of June 30, 2023. Since the State funds non-contributory members on a pay-as-you-go basis, the discount rate for non-contributory members is the yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rate of AA/Aa or higher, as shown in the Bond Buyer 20-Bond General Obligation Index.

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	$ 1,553,245	$ 1,335,953	$ 1,158,032

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	$ 1,156,400	$ 1,335,953	$ 1,556,328

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, 2023.

NOTE 11. DEFERRED OUTFLOWS AND DEFERRED INFLOWS OF RESOURCES

Deferred outflows and deferred inflows of resources consisted of the following as of June 30, 2024 (amounts in thousands):

	2024
Deferred Outflows of Resources	
Accumulated losses on debt refundings	$ 141
Amounts related to net pension liabilities	154,854
Amounts related to net OPEB liability	170,856
Amounts related to ARO	117
Total Deferred Outflows of Resources	$ 325,968
Deferred Inflows of Resources	
Amounts related to lease receivables	$ 1,653
Accumulated gains on debt refundings	29,615
Amounts related to net pension liabilities	395,334
Amounts related to net OPEB liability	579,892
Total Deferred Inflows of Resources	$ 1,006,494

NOTE 12. COMMITMENTS

The University had outstanding commitments, in excess of $500,000 each, of $111.4 million as of June 30, 2024. This amount included $102.4 million related to capital projects for the University and $9.0 million in outstanding commitments related to operating expenses. See Note 7 for commitment 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 $7.4 million for the fiscal year ended June 30, 2024. The total amount of waivers not reflected in the accompanying financial statements was $81.0 million in fiscal year 2024. Approximately 87 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, 2024, the University recorded $19.6 million in revenues from UConn Health related to services specified in the 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. As of June 30, 2024, the University reported a receivable from UConn Health of $8.9 million.

Other sources of operating revenues related to the UConn Health MOUs for the year ended June 30, 2024, are as follows (amounts in thousands):

	2024
University safety	$ 11,900
Audit, compliance, privacy	1,961
Library services	1,016
Technology commercialization services	957
Communications (marketing)	892
Information technology	766
Ombudsman and institutional equity	698
Document production	578
Government relations and other	344
Diversity and inclusion	295
Human resources	232
Revenue from Affiliate	$ 19,639

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, 2024 (amounts in thousands):

	2024
Total expenses incurred for guaranteed contractual services provided by the Foundation	$ 12,643
Reimbursements from the Foundation for operating expenses	$ 325
Capital and noncapital gift and grant revenue from the Foundation	$ 39,300
Amount receivable from the Foundation*	$ 13,418

**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 are 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 by providing appropriations from the General Fund.

State appropriation for the year ended June 30, 2024, consisted of the following (amounts in thousands):

	2024
General Fund appropriation received from the State	$ 256,316
Payments for fringe benefits received from the State	1,936
Decrease in appropriation receivable	(2,214)
Total Appropriation and Payments for Fringe Benefits from the State	$ 256,038

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 this legislation, effective July 1, 2023, the State funds all the University's employee retirement costs related to the State's retirement systems and the Alternate Retirement Plan. The University is responsible for funding all employee non-retirement fringe benefit costs. To achieve a budget-neutral effect, the State has (1) reduced the General Fund appropriation to the University, and (2) no longer associates employee salary and fringe benefit expenses with the General Fund appropriation. For the year ended June 30, 2024, the State funded $215.5 million of retirement and other post-employment benefit costs for the University, which also includes administrative expenses. These amounts are not reported as on-behalf revenues or expenses in the accompanying financial statements.

In fiscal year 2024, the University received funding of $42.2 million through the State's American Rescue Plan Act (ARPA) allocation, designated as temporary operating support. The 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 fiscal year ended June 30, 2024.

Pursuant to various public or special bond acts, the General Assembly empowers the State Bond Commission to allocate and approve the issuance of bonds for a variety of projects or purposes. In June 2023, PA No. 23-205, authorized $45.0 million of State General Obligation Bonds to fund various projects at the University. During fiscal year 2024, the State Bond Commission allocated $30.0 million for design, land acquisition and construction of the Nursing Program Facility. Additionally, $5.0 million was allocated for the acquisition or leasing of property at the XL Center, and planning, design and construction related to use of the property as academic space for the University. Furthermore, $10.0 million was allocated for equipment, library collections and telecommunications. These amounts were recorded as a capital allocation in the accompanying Statement of Revenues, Expenses, and Changes in Net Position for the fiscal year ended June 30, 2024. As of June 30, 2024, $5.0 million of the total capital allocation was included as part of due from the State in the accompanying Statement of Net Position.

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, 2024, the University's contribution totaled $750,000. In fiscal year 2024, UConn Innovations Fund, LLC made a cash distribution to each member. The University's share of the distribution was approximately $171,000.

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 bylaws, members are required to submit annual dues, as determined by the Board of Directors, in lieu of financial support. In fiscal year 2024, the University paid $175,000 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, 2024 (amounts in thousands):

	Salaries and Wages	Fringe Benefits	Supplies and Other Expenses	Utilities	Depreciation and Amortization	Scholarships and Fellowships	Total
Instruction	$ 313,215	$ 110,048	$ 40,304	$ 2	$ -	$ 203	$ 463,772
Research	76,069	18,947	48,072	1	-	813	143,902
Public service	31,851	12,250	14,156	-	-	231	58,488
Academic support	85,200	37,264	45,110	-	-	8	167,582
Student services	30,458	13,279	11,513	4	-	10	55,264
Institutional support	46,406	21,569	20,567	-	-	-	88,542
Operations and maintenance	32,080	17,662	44,772	16,408	-	-	110,922
Depreciation and amortization	-	-	-	-	144,389	-	144,389
Scholarships and fellowships	-	-	631	-	-	22,376	23,007
Auxiliary enterprises	117,597	48,472	95,930	6,224	-	196	268,419
Total	$ 732,876	$ 279,491	$ 321,055	$ 22,639	$ 144,389	$ 23,837	$ 1,524,287

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 exceeding 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 buildings undergoing renovation on the Storrs campus. As of June 30, 2024, a liability of $11.3 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. CHANGE IN ACCOUNTING ESTIMATE

Scholarship Discounts and Allowances

In fiscal year 2024, the University implemented changes in the calculation of scholarship discounts and allowances. The primary change involved updating the process for extracting scholarship data from the University's student administration system. This update significantly affected the estimation of scholarship discounts and allowances, leading to a shift in student financial aid reported in the accompanying financial statements. These changes were applied prospectively.

The effects of these changes on the accompanying financial statements for the fiscal year ended June 30, 2024, as compared with the prior calculation, are approximated as follows:

Statement of Revenues, Expenses, and Changes in Net Position	Statement of Cash Flows	Impact/Amount
Student tuition and fees, net	Student tuition and fees	Decreased $34.0 million
Sales and services of auxiliary enterprises, net	Sales and services of auxiliary enterprises	Increased $17.0 million
Scholarships and fellowships	Payments to suppliers and others	Decreased $17.0 million
Change in net position	Change in cash and cash equivalents	No impact

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	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Proportion of the collective NPL	3.72%	4.66%	6.58%	6.39%	5.98%	5.05%	4.78%	4.91%	4.88%	4.51%
Proportionate share of the collective NPL	$ 772,476	$ 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	$ 260,746	$ 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	296.26%	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	50.59%	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	2024	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	0.00%	46.58%	46.46%	43.32%	38.82%	41.44%	36.80%	37.68%	36.68%	35.22%

Notes to Required Schedules:

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% to 3.00%; 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.

Changes in Legislation

2024 – Public Act 23-204 changed the State's funding structure concerning employer contributions, effective July 1, 2023. Under this legislation, the State covers all retirement-related costs for University employees participating in the State’s retirement plans. As a result, the University did not make any contributions or have related covered payroll to report for the fiscal year ended June 30, 2024.

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	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Proportion of the collective NPL	0.03%	0.04%	0.04%	0.04%	0.04%	0.04%	0.03%	0.03%	0.04%	0.04%
Proportionate share of the collective NPL	$ 4,940	$ 6,852	$ 6,173	$ 7,789	$ 6,159	$ 4,748	$ 4,717	$ 4,976	$ 4,430	$ 4,090
University's covered payroll	$ 1,107	$ 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	446.25%	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	58.39%	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	2024	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	0.00%	38.03%	44.42%	34.31%	31.41%	39.37%	25.42%	9.90%	31.05%	35.01%

Notes to Required Schedules:

Changes of Benefit Terms

2023 – Legislation was passed restoring the 25% 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%; for members retiring on or after July 1, 2019 with a partial refund option election (Plan N), if 50% 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% to 7% of salary.

Changes in Assumptions

2021 – Decrease in the annual rate of real wage increase assumption from 0.75% to 0.50%; decrease in the payroll growth assumption from 3.25% to 3.00%.

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% to 2.50%; decrease in the investment rate of return assumption from 8.0% to 6.9%; increase in the annual rate of wage increase assumption from 0.50% to 0.75%; phase in to a level dollar amortization method for the June 30, 2024 valuation.

Changes in Legislation

2024 – Public Act 23-204 changed the State's funding structure concerning employer contributions, effective July 1, 2023. Under this legislation, the State covers all retirement-related costs for University employees participating in the State's retirement plans. As a result, the University did not make any contributions or have related covered payroll to report for the fiscal year ended June 30, 2024.

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	2024	2023	2022	2021	2020	2019	2018
Proportion of the collective NOL	8.56%	8.93%	8.75%	8.87%	9.05%	7.49%	7.39%
Proportionate share of the collective NOL	$ 1,335,953	$ 1,383,285	$ 1,709,176	$ 2,087,164	$ 1,871,032	$ 1,293,696	$ 1,283,941
University's covered payroll	$ 486,426	$ 529,689	$ 492,277	$ 473,100	$ 446,237	$ 448,931	$ 435,196
Proportionate share of the collective NOL as a percentage of covered payroll	274.65%	261.15%	347.20%	441.17%	419.29%	288.17%	295.03%
Plan fiduciary net position as a percentage of the total OPEB liability	14.60%	12.63%	10.12%	6.13%	5.47%	4.69%	3.03%

Schedule of University OPEB Contributions
($ in thousands)

Fiscal Year Ended June 30	2024	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	0.00%	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 6.90% for contributory members and 3.65% for non-contributory members for the fiscal year 2024. For the fiscal years 2023, 2022, 2021, 2020, 2019, and 2018, the rates were 3.90%, 2.31%, 2.38%, 3.58%, 3.95%, and 3.68%, respectively.

2024 – Per capita health costs, administrative costs, and retiree contributions were updated for recent experience. Actuarial factors used to estimate individual retiree and spouse costs by age and gender were adjusted. In addition, healthcare cost trend rates and retiree contribution rates were adjusted. The Medicare prescription drug trend rates were also updated to reflect an estimate for the impact of the Inflation Reduction Act.

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.

Changes in Legislation

2024 – Public Act 23-204 changed the State's funding structure concerning employer contributions, effective July 1, 2023. Under this legislation, the State covers all retirement-related costs for University employees participating in the State's retirement plans. As a result, the University did not make any contributions or have related covered payroll to report for the fiscal year ended June 30, 2024.

STATISTICAL SECTION

Statistical Section
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SCHEDULE OF REVENUES BY SOURCE

Last Ten Fiscal Years

($ in thousands)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Student tuition and fees, net of scholarship allowances	$ 464,993 (1)	$ 461,624	$ 427,959	$ 397,237	$ 422,519	$ 396,780	$ 386,921	$ 367,351	$ 341,809	$ 308,174
Federal grants and contracts	190,068	168,035	148,970	147,547	125,936	121,593	106,561	100,397	104,725	93,807
State and local grants and contracts	25,880	24,646	17,871	16,364	19,944	17,959	19,441	16,931	21,200	20,823
Nongovernmental grants and contracts	23,777	20,052	23,871	20,012	21,042	23,577	18,386	28,005	19,490	20,535
Sales and services of educational departments	16,906	17,423	22,687	25,355	15,688	22,710	23,708	20,325	20,543	21,028
Sales and services of auxiliary enterprises, net of scholarship allowances	229,660 (1)	195,672	171,753	73,577	169,016	211,036	210,990	209,851	210,455	201,066
Other sources	33,909	32,351	30,745	26,943	31,960	29,750	14,009	11,909	10,758	12,263
Total Operating Revenues	985,193	919,803	843,856	707,035	806,105	823,405	780,016	754,769	728,980	677,696
State appropriation	256,038	420,505	459,788	397,910	376,866	356,898	342,987	374,113	384,747	350,699
State debt service commitment for interest	77,089	78,623	75,947	74,170	78,963	77,333	70,740	64,757	53,092	46,635
Federal and state financial aid	103,976	93,249	134,741	115,892	64,549	42,222	37,986	34,800 (2)	38,968 (2)	35,684 (2)
Gifts	37,427	44,393	33,502	24,715	21,790	28,185	19,732	23,628	25,380	23,828
Investment income	25,056	14,066	1,742	794	7,881	11,957	6,059	2,996	1,448	889
Other nonoperating revenues, net	-	1,950	-	2,594	207	745	-	-	-	-
Total Nonoperating Revenues	499,586	652,786	705,720	616,075	550,256	517,340	477,504	500,294	503,635	457,735
	$ 1,484,779	**$ 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**

(% of total revenues)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Student tuition and fees, net of scholarship allowances	31.4% (1)	29.4%	27.6%	30.0%	31.1%	29.6%	30.8%	29.3%	27.7%	27.1%
Federal grants and contracts	12.8%	10.7%	9.6%	11.2%	9.3%	9.1%	8.5%	8.0%	8.5%	8.3%
State and local grants and contracts	1.7%	1.6%	1.2%	1.2%	1.5%	1.3%	1.5%	1.3%	1.6%	1.8%
Nongovernmental grants and contracts	1.6%	1.3%	1.5%	1.5%	1.6%	1.8%	1.4%	2.2%	1.6%	1.8%
Sales and services of educational departments	1.1%	1.1%	1.5%	1.9%	1.2%	1.7%	1.9%	1.6%	1.7%	1.9%
Sales and services of auxiliary enterprises, net of scholarship allowances	15.5% (1)	12.4%	11.1%	5.6%	12.4%	15.7%	16.8%	16.7%	17.1%	17.7%
Other sources	2.3%	2.1%	2.0%	2.0%	2.4%	2.2%	1.1%	0.9%	0.9%	1.1%
Total Operating Revenues	66.4%	58.6%	54.5%	53.4%	59.5%	61.4%	62.0%	60.0%	59.1%	59.7%
State appropriation	17.2%	26.7%	29.7%	30.1%	27.8%	26.6%	27.3%	29.9%	31.2%	30.9%
State debt service commitment for interest	5.2%	5.0%	4.9%	5.6%	5.8%	5.8%	5.6%	5.2%	4.3%	4.1%
Federal and state financial aid	7.0%	5.9%	8.6%	8.7%	4.7%	3.1%	3.0%	2.8%	3.2%	3.1%
Gifts	2.5%	2.8%	2.2%	1.9%	1.6%	2.1%	1.6%	1.9%	2.1%	2.1%
Investment income	1.7%	0.9%	0.1%	0.1%	0.6%	0.9%	0.5%	0.2%	0.1%	0.1%
Other nonoperating revenues, net	0.0%	0.1%	0.0%	0.2%	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%
Total Nonoperating Revenues	33.6%	41.4%	45.5%	46.6%	40.5%	38.6%	38.0%	40.0%	40.9%	40.3%
	100.0%	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**

(1) The reported amounts were impacted by a change in the accounting estimate for scholarship discounts and allowances, beginning in fiscal year 2024.
(2) 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)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Salaries and wages	$ 732,876	$ 685,254	$ 674,458	$ 617,225	$ 602,873	$ 569,872	$ 569,359	$ 556,411	$ 557,497	$ 542,082
Fringe benefits	279,491	247,699	515,739	685,126	597,737	417,689	338,545	349,328	287,553	271,164
Supplies and other expenses	321,055	294,184	248,545	226,404	257,977	279,602	264,456	245,357	245,871	217,413
Utilities	22,639	27,552	22,475	17,295	20,167	21,063	19,655	19,039	19,737	23,212
Depreciation and amortization	144,389	139,628	135,566	122,695	117,870	119,346	108,185	104,807	98,767	95,990
Scholarships and fellowships	23,837 (1)	33,945	50,948	28,866	23,367	11,409	8,870	11,791	12,437	10,713
Total Operating Expenses	1,524,287	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
Interest expense	71,940	69,286	68,338	66,114	71,102	70,460	64,672	59,129	51,333	46,420
Disposal of capital assets, net	4,479	3,263	2,346	3	1,912	2,345	1,524	1,418	8,486	473
Other nonoperating expenses, net	290	-	5,230	-	-	-	2,475	1,776	3,893	1,540
Total Nonoperating Expenses	76,709	72,549	75,914	66,117	73,014	72,805	68,671	62,323	63,712	48,433
	$ 1,600,996	**$ 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**

(% of total expenses)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Salaries and wages	45.8%	45.7%	39.1%	35.0%	35.6%	38.2%	41.3%	41.2%	43.3%	44.8%
Fringe benefits	17.4%	16.5%	29.9%	38.8%	35.3%	28.0%	24.6%	25.9%	22.4%	22.5%
Supplies and other expenses	20.1%	19.6%	14.4%	12.9%	15.2%	18.7%	19.2%	18.2%	19.1%	18.1%
Utilities	1.4%	1.8%	1.3%	1.0%	1.2%	1.4%	1.4%	1.4%	1.5%	1.9%
Depreciation and amortization	9.0%	9.3%	7.9%	7.0%	7.0%	8.0%	7.9%	7.8%	7.7%	7.9%
Scholarships and fellowships	1.5% (1)	2.3%	3.0%	1.6%	1.4%	0.8%	0.6%	0.9%	1.0%	0.9%
Total Operating Expenses	95.2%	95.2%	95.6%	96.3%	95.7%	95.1%	95.0%	95.4%	95.0%	96.1%
Interest expense	4.4%	4.6%	4.0%	3.7%	4.2%	4.7%	4.7%	4.4%	4.0%	3.8%
Disposal of capital assets, net	0.3%	0.2%	0.1%	0.0%	0.1%	0.2%	0.1%	0.1%	0.7%	0.0%
Other nonoperating expenses, net	0.1%	0.0%	0.3%	0.0%	0.0%	0.0%	0.2%	0.1%	0.3%	0.1%
Total Nonoperating Expenses	4.8%	4.8%	4.4%	3.7%	4.3%	4.9%	5.0%	4.6%	5.0%	3.9%
	100.0%	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**

(1) The reported amounts were impacted by a change in the accounting estimate for scholarship discounts and allowances, beginning in fiscal year 2024.

SCHEDULE OF EXPENSES BY FUNCTION
Last Ten Fiscal Years

($ in thousands)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Instruction	$ 463,772	$ 441,925	$ 532,976	$ 568,509	$ 518,689	$ 438,702	$ 419,691	$ 419,251	$ 390,364	$ 382,256
Research	143,902	121,925	122,049	116,706	102,859	97,258	88,469	80,953	80,070	73,596
Public service	58,488	50,982	58,663	65,942	66,985	56,081	49,417	53,116	53,903	48,884
Academic support	167,582	156,016	185,523	213,169	204,759	170,050	147,264	138,912	139,643	131,914
Student services	55,264	48,125	60,091	63,114	62,243	49,730	44,856	40,087	38,916	36,955
Institutional support	88,542	81,095	100,243	108,742	106,092	90,086	75,357	74,226	66,580	57,330
Operations and maintenance of plant	110,922	114,228	147,428	186,963	178,009	151,589	138,184	137,259	122,034	114,889
Depreciation and amortization	144,389	139,628	135,566	122,695	117,870	119,346	108,185	104,807	98,767	95,990
Scholarships and fellowships	23,007 (1)	32,789	50,548	28,454	23,449	10,979	8,232	10,306	9,748	9,127
Auxiliary enterprises	268,419	241,549	254,644	223,317	239,036	235,160	229,415	227,816	221,837	209,633
Interest expense	71,940	69,286	68,338	66,114	71,102	70,460	64,672	59,129	51,333	46,420
Disposal of capital assets, net	4,479	3,263	2,346	3	1,912	2,345	1,524	1,418	8,486	473
Other nonoperating expenses, net	290	-	5,230	-	-	-	2,475	1,776	3,893	1,540
	$ 1,600,996	**$ 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**

(% of total expenses)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Instruction	29.0%	29.5%	30.9%	32.2%	30.5%	29.4%	30.5%	31.1%	30.3%	31.7%
Research	9.0%	8.1%	7.1%	6.6%	6.1%	6.5%	6.4%	6.0%	6.2%	6.1%
Public service	3.6%	3.4%	3.4%	3.7%	4.0%	3.8%	3.6%	3.9%	4.2%	4.0%
Academic support	10.5%	10.4%	10.8%	12.1%	12.1%	11.4%	10.7%	10.2%	10.8%	10.9%
Student services	3.5%	3.2%	3.5%	3.6%	3.7%	3.3%	3.3%	3.0%	3.0%	3.1%
Institutional support	5.5%	5.4%	5.8%	6.2%	6.3%	6.0%	5.5%	5.5%	5.2%	4.7%
Operations and maintenance of plant	6.9%	7.6%	8.5%	10.6%	10.5%	10.2%	10.0%	10.2%	9.5%	9.5%
Depreciation and amortization	9.0%	9.3%	7.9%	7.0%	7.0%	8.0%	7.8%	7.8%	7.7%	7.9%
Scholarships and fellowships	1.4% (1)	2.2%	2.9%	1.6%	1.4%	0.7%	0.6%	0.8%	0.8%	0.8%
Auxiliary enterprises	16.8%	16.1%	14.8%	12.7%	14.1%	15.8%	16.6%	16.9%	17.3%	17.4%
Interest expense	4.5%	4.6%	4.0%	3.7%	4.2%	4.7%	4.7%	4.4%	4.0%	3.8%
Disposal of capital assets, net	0.3%	0.2%	0.1%	0.0%	0.1%	0.2%	0.1%	0.1%	0.7%	0.0%
Other nonoperating expenses, net	0.0%	0.0%	0.3%	0.0%	0.0%	0.0%	0.2%	0.1%	0.3%	0.1%
	100.0%	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**

(1) The reported amounts were impacted by a change in the accounting estimate for scholarship discounts and allowances, beginning in fiscal year 2024.

SCHEDULE OF NET POSITION AND CHANGES IN NET POSITION

Last Ten Fiscal Years

($ in thousands)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total revenues	$ 1,484,779	$ 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
Total expenses	1,600,996	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
Income (Loss) Before Other Changes in Net Position	(116,217)	71,778	(174,069)	(440,618)	(336,644)	(151,041)	(120,221)	(93,993)	(52,959)	(73,576)
State debt service commitment for principal	209,225	-	214,185	140,295	-	154,405	187,269	281,576	103,400	56,430
Capital allocation	45,000	-	-	-	-	-	-	-	-	131,500
Capital grants and gifts	7,454	3,608	1,976	11,640	2,276	3,907	5,099	1,388	5,071	25,412
Additions to permanent endowments	191	9	1,996	164	171	171	338	1,149	14	66
Athletic conference fee	-	-	-	(3,500)	(16,436)	-	-	-	-	-
Transfer to affiliate	-	-	(228)	(2,000)	-	-	-	-	-	-
Total Changes in Net Position	145,653	75,395	43,860	(294,019)	(350,633)	7,442	72,485	190,120	55,526	139,832
Net position, beginning	(421,787)	(500,218)	(545,792)	(251,773)	98,860	80,228	1,243,245	1,053,125	997,599	1,435,360
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	**$ (276,134)**	**$ (421,787)**	**$ (500,218)**	**$ (545,792)**	**$ (251,773)**	**$ 98,860**	**$ 80,228**	**$ 1,243,245**	**$ 1,053,125**	**$ 997,599**

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Net investment in capital assets	$ 1,013,195	$ 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)
Restricted nonexpendable	16,434	16,219	16,187	14,164	15,132	15,005	15,044	14,483	12,593	13,091
Restricted expendable										
Research, instruction, scholarships and other	35,810	30,552	22,316	25,824	16,582	21,716	32,273	34,058	24,455	19,334
Loans	1,882	1,794	1,822	1,981	2,180	2,608	2,566	2,543	2,520	2,533
Capital projects	41,535	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)
Debt service	1,207,022	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)
Unrestricted	(2,592,012)	(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)
Total Net Position	**$ (276,134)**	**$ (421,787)**	**$ (500,218)**	**$ (545,792)**	**$ (251,773)**	**$ 98,860**	**$ 80,228**	**$ 1,243,245**	**$ 1,053,125**	**$ 997,599**

(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, 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)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
General obligation bonds	$ 1,635,145	$ 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
Revenue bonds	271,540	183,605	194,905	200,915	206,655	233,445	240,980	105,955	112,410	118,625
Self-liquidating bonds	-	-	-	-	-	-	-	-	275	349
Lease and subscription liabilities (1)	152,637	143,298	141,388	66,634	72,749	78,515	84,199	42,818	47,229	51,398
Financed purchase agreements (2)	8,270	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
American Athletic Conference exit fee	3,715	4,900	6,059	7,194	7,194	-	-	-	-	-
	2,071,307	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
Premiums and discounts	234,182	239,330	265,571	251,536	223,648	244,077	229,155	201,858	172,757	134,213
Total Long-Term Debt, Net	$ 2,305,489	$ 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
Full-time equivalent students (4)	29,696	29,100	29,215	29,750	29,530	28,646	29,424	29,220	28,832	28,134
Outstanding debt per student (5)	$ 77,636	$ 73,303	$ 79,338	$ 71,252	$ 70,657	$ 79,012	$ 75,319	$ 63,509	$ 56,952	$ 51,654

(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: University of Connecticut Office of Budget, Planning and Institutional Research

(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
2024	$ 80,496	$ 199,284	$ (153,255)	$ 46,029	$ 126,525	$ (20,474)	6.18
2023	68,351	186,129	(148,329)	37,800	106,151	(18,355)	5.78
2022	62,620	157,288	(100,868)	56,420	119,040	(15,760)	7.55
2021	48,831	66,917	(85,241)	(18,324)	30,507	(15,772)	1.93
2020	63,018	148,070	(117,763)	30,307	93,325	(37,542)	2.49
2019	53,672	182,891	(136,606)	46,285	99,957	(19,017)	5.26
2018	52,429	176,598	(135,138)	41,460	93,889	(12,432)	7.55
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

(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.

** In fiscal year 2024, the debt coverage calculation for fiscal years 2018 to 2023 was updated to include revenues and expenses related to Stamford housing.*

ADMISSIONS AND ENROLLMENT
Last Ten Fiscal Years

FRESHMAN ADMISSIONS (STORRS ONLY)	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Applications	46,645	40,894	36,753	34,437	35,096	34,886	34,198	35,980	34,978	31,280
Offers of admission	25,164	22,293	20,433	19,316	17,346	17,015	16,360	17,560	18,598	15,629
Percent admitted	54%	55%	56%	56%	49%	49%	48%	49%	53%	50%
Enrolled	4,189	4,069	3,663	3,825	3,603	3,749	3683	3,822	3,774	3,588
Yield (enrolled/offers)	17%	18%	18%	20%	21%	22%	23%	22%	20%	23%
Total average SAT	1,296	1,315	1,318	1,281	1,296	1,306	1294	1,233	1,233	1,234

ENROLLMENT*	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Non-Resident Alien										
Male	2,042	2,063	1,956	2,048	2,232	2,110	2,001	1,890	1,773	1,532
Female	1,528	1,564	1,525	1,711	1,990	1,917	1,847	1,665	1,462	1,277
Black or African American										
Male	1,012	974	1,002	1,023	984	944	885	874	813	756
Female	1,450	1,380	1,386	1,366	1,261	1,211	1,153	1,098	1,053	1,010
American Indian or Alaska Native										
Male	8	9	9	13	14	22	16	19	18	18
Female	19	21	14	18	16	25	27	25	28	27
Asian										
Male	1,757	1,698	1,627	1,581	1,512	1,500	1,497	1,475	1,372	1,315
Female	1,911	1,865	1,823	1,770	1,688	1,606	1,556	1,467	1,419	1,333
Hispanic/Latino										
Male	2,140	2,044	1,952	1,842	1,643	1,568	1,477	1,386	1,293	1,233
Female	2,945	2,772	2,705	2,588	2,202	2,014	1,800	1,616	1,468	1,393
Native Hawaiian or Other Pacific Islander										
Male	7	3	3	5	5	8	10	8	8	10
Female	6	7	7	8	11	11	13	12	13	13
Two or More Races										
Male	601	535	520	487	454	430	394	364	330	301
Female	692	656	595	596	508	476	464	442	412	408
White										
Male	7,243	7,507	7,826	8,224	8,520	8,821	9,089	9,518	9,809	9,916
Female	8,318	8,343	8,543	8,743	8,647	8,983	9,361	9,581	9,789	10,022
Total Head Count	31,679	31,441	31,493	32,023	31,687	31,646	31,590	31,440	31,060	30,564
Percent female	53.2%	52.8%	52.7%	52.5%	51.5%	51.3%	51.3%	50.6%	50.4%	50.7%
Percent minority	39.6%	38.1%	37.0%	35.3%	32.5%	31.0%	29.4%	27.9%	26.5%	25.6%
Percent non-resident alien	11.3%	11.5%	11.1%	11.7%	13.3%	12.7%	12.2%	11.3%	10.4%	9.2%

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 (STORRS ONLY)
Last Ten Fiscal Years

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Undergraduate resident	$ 20,366	$ 19,434	$ 18,524	$ 17,834	$ 17,226	$ 15,730	$ 14,880	$ 14,066	$ 13,366	$ 12,700
Undergraduate non-resident	$ 43,034	$ 42,102	$ 41,192	$ 40,502	$ 39,894	$ 38,098	$ 36,948	$ 35,858	$ 34,908	$ 32,880
Graduate resident	$ 22,194	$ 21,262	$ 20,325	$ 19,664	$ 19,056	$ 17,660	$ 16,810	$ 15,996	$ 15,296	$ 14,472
Graduate non-resident	$ 44,106	$ 43,174	$ 42,237	$ 41,576	$ 40,968	$ 39,272	$ 38,122	$ 37,032	$ 36,082	$ 33,944

DEGREES CONFERRED
Last Ten Fiscal Years

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Associate	20	24	24	33	26	16	21	30	24	20
Bachelor's	5,739	5,534	5,390	5,623	5,731	5,656	5,618	5,530	5,197	5,320
Post-baccalaureate	592	574	548	537	395	369	299	251	229	167
Master's	1,797	1,752	1,703	1,926	1,774	1,895	2,048	1,904	1,750	1,713
Sixth-year education	30	57	49	61	50	54	51	62	66	69
Ph.D.	432	407	352	368	382	418	384	411	379	372
J.D.	153	153	151	138	141	108	89	155	151	156
LL.M.	61	34	33	42	50	53	42	43	44	31
Pharm D.	57	76	82	77	74	92	98	101	99	95
Total	8,881	8,611	8,332	8,805	8,623	8,661	8,650	8,487	7,939	7,943

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

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
FACULTY										
Full-time	1,659	1,584	1,616	1,597	1,537	1,540	1,545	1,518	1,489	1,517
Part-time	61	59	57	45	54	51	53	32	30	33
Total Faculty	1,720	1,643	1,673	1,642	1,591	1,591	1,598	1,550	1,519	1,550
Tenured	857	839	895	908	887	858	854	841	848	877
Percentage tenured	50%	51%	53%	55%	56%	54%	53%	54%	56%	57%
STAFF										
Full-time	3,464	3,290	3,323	3,310	3,297	3,228	3,109	3,198	3,115	3,080
Part-time	130	126	131	147	144	150	150	82	158	186
Total Staff	3,594	3,416	3,454	3,457	3,441	3,378	3,259	3,280	3,273	3,266
Total Faculty and Staff	5,314	5,059	5,127	5,099	5,032	4,969	4,857	4,830	4,792	4,816
Student to faculty ratio*	16 to 1	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
Full-time and part-time faculty										
Female	47%	47%	45%	44%	43%	42%	41%	41%	41%	39%
Minority	24%	23%	24%	19%	20%	20%	21%	23%	23%	22%
Full-time and part-time staff										
Female	57%	57%	57%	58%	57%	57%	57%	57%	57%	58%
Minority	17%	17%	17%	13%	13%	14%	15%	17%	17%	17%
Staff covered by collective bargaining agreements	92%	92%	92%	92%	90%	90%	90%	90%	90%	91%
Adjunct lecturers	767	768	757	705	749	732	709	690	679	708

**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

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Academic buildings										
Net assignable square feet (in thousands)	3,030	3,011	2,892	2,888	2,890	2,876	2,847	2,654	2,753	2,753
Number of buildings	147	146	145	157	158	160	170	168	171	171
Auxiliary and independent operations buildings										
Net assignable square feet (in thousands)	4,584	4,504	4,060	4,069	3,937	3,638	3,859	3,753	3,277	3,336
Number of buildings	172	188	183	177	178	185	190	189	193	209
Administrative and support buildings										
Net assignable square feet (in thousands)	892	907	905	888	883	887	832	852	964	949
Number of buildings	80	81	80	80	81	83	83	88	97	96
Total net assignable square feet (in thousands)	8,505	8,422	7,857	7,845	7,710	7,401	7,538	7,259	6,994	7,038
Total number of buildings	399	415	408	414	417	428	443	445	461	476

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

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Residential halls*	97	102	100	100	102	101	100	101	115	115
Residential hall occupancy	11,965	11,655	11,184	4,911	12,580	12,712	12,597	12,699	12,723	12,711
Percentage of main campus undergraduates in campus housing	64%	64%	57%	25%	65%	65%	66%	67%	70%	71%

**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)
2024	342,112,700,000	3,625,511	94,363	4.2%
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%

(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	2024 Employees in CT	2024 Percentage of Total CT Employment	Rank	
Yale New Haven Health System	30,896	1.7%	1	
Hartford Healthcare	28,686	1.6%	2	
RTX Corp.	16,600	0.9%	3	(1)
Yale University	16,150	0.9%	4	
General Dynamics Electric Boat	14,152	0.8%	5	
CVS Health Corp. and subsidiaries	8,942	0.5%	6	
Walmart	8,454	0.5%	7	(2)
Sikorsky, a Lockheed Martin Co.	7,900	0.4%	8	(3)
The Travelers Cos. Inc.	7,400	0.4%	9	
Trinity Health of New England	7,379	0.4%	10	(4)
Total	146,559	8.1%		

NAME	2015 Employees in CT	2015 Percentage of Total CT Employment	Rank	
United Technologies Corp.	24,000	1.3%	1	
Yale New Haven Health System	20,071	1.1%	2	
Hartford Healthcare	18,107	1.0%	3	
Yale University	14,787	0.8%	4	(5)
General Dynamics Electric Boat	9,583	0.5%	5	
Wal-Mart Stores Inc.	8,800	0.5%	6	
The Travelers Cos. Inc.	7,300	0.4%	7	
The Hartford Financial Services Group Inc.	7,000	0.4%	8	
Mohegan Sun	6,900	0.4%	9	
Aetna Inc.	6,126	0.3%	10	
Total	122,674	6.7%		

Source: Hartford Business Journal

(1) Raytheon Technologies, established in 2020 with merger of Raytheon Co., based in Waltham, Mass, and Farmington's United Technologies Corp., announced a name change to RTX Corp. in July 2023. It's presence in Connecticut included Collins Aerospace and Pratt & Whitney.

(2) Data is from the Q2 2022 Survey.

(3) Data is from the Q2 2022 Survey. Sikorsky announced layoffs of 179 positions in Connecticut in October 2023. The company declined to respond to the Q4 2023 survey.

(4) Includes St. Francis Hospital and Medical Center, St. Mary's Hospital, Mount Sinai Rehabilitation Hospital and Johnson Memorial Medical Center.

(5) Figure is from Fall 2014.

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