

ANNUAL REPORT
with respect to
THE UNIVERSITY OF CONNECTICUT
SPECIAL OBLIGATIONS

The following is the annual financial information and operating data with respect to the University of Connecticut (the “University” or “UConn”). This report is being filed with the Municipal Securities Rulemaking Board (the “MSRB”) via its Electronic Municipal Market Access (“EMMA”) service pursuant to the Special Obligation Master Indenture of Trust by and between the University and U.S. Bank Trust Company, National Association, dated January 1, 1997, as amended, and supplemented (the “Indenture”) and the University’s continuing disclosure agreements (the “Continuing Disclosure Agreements”) entered into in connection with the issuance of UConn special obligation bonds.

This statement is limited in scope. It contains only an updating of certain financial and operating data referenced below. The information set forth herein does not contain all material information concerning the University necessary to make an informed investment decision. This statement does not constitute an offer to sell or the solicitation of an offer to buy UConn bonds. This statement is intended to provide only the information necessary to conform to the requirements of the Indenture and the Continuing Disclosure Agreements.

The Annual Report for the University, including financial statements and certain financial information and operating data is attached hereto. The Official Statement of the University, dated October 27, 2022, for its Special Obligation Bonds, 2022 Refunding Series A (the “Special Obligation Official Statement”) which has been made available to the public on EMMA is incorporated herein by reference for information that may be required to be included in this filing, but which is not included in the attached information.

DATED: December 20, 2022

ANNUAL FINANCIAL INFORMATION AND OPERATING DATA
with respect to
THE UNIVERSITY OF CONNECTICUT

The following Annual Report of the University of Connecticut (the “University” or “UConn”) is submitted to comply with its obligation under its Special Obligation Master Indenture of Trust by and between the University and U.S. Bank Trust Company, National Association, dated January 1, 1997, as amended, and supplemented and its Continuing Disclosure Agreements entered into in connection with its special obligation bonds.

COMPETITION AND COMPETITIVENESS

Student Admissions and Enrollment

Refer to the Special Obligation Official Statement for the following:

- Schedule of Freshman Enrollment – Storrs Campus;
- Average Total SAT Scores (excluding writing component);
- Total Enrollment Data (Head Count); and
- Percentage of Enrollment by Residence Status.

Tuition and Other Fees (Storrs and Regional Campuses)

Pursuant to State law, the Board of Trustees is authorized to adopt a comprehensive schedule of tuition and other fees, which is expected to prevail during the following Fiscal Year.

Tuition. For the academic year 2023, students classified as full-time undergraduate residents of Connecticut will pay tuition of \$15,672. Full-time out-of-state undergraduates will pay \$38,340 per year. In the 2023 academic year, total tuition revenues are budgeted to be \$505.2 million. For the academic year 2024, full-time undergraduate residents will pay tuition of \$16,332, and full-time out-of-state undergraduates will pay tuition of \$39,000 per year.

Mandatory Fees. For academic year 2023, undergraduate students must pay a General University Fee of \$1,474 per year. Students also pay \$2,288 per year in other fees, of which \$686 is for student health services, \$500 is for the Student Recreation Center, \$192 is for various student-controlled organizations, \$558 is for infrastructure maintenance, \$178 is a transit fee, and \$174 is a Technology Fee. For the academic year 2024, the General University Fee will increase to \$1,570. Students will also pay \$2,464 in other fees, of which \$776 is for student health services, \$500 is for the Student Recreation Center, \$192 is for various student-controlled organizations, \$618 is for infrastructure maintenance, \$194 is a transit fee, and \$184 is a Technology Fee. Commencing in 1998, certain fees have been pledged for the payment of debt service on the University’s Special Obligation Bonds.

Other Fees. There are numerous optional fees at the University. The primary optional fees for the academic year 2023 are the room (\$7,436) and board (\$6,186) fee. For academic year 2024 the room fee will be \$7,640 and board will be \$6,356. Rates reflect a standard double room and the Value Meal Plan, higher and lower cost options are available.

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**In-State Student Enrolled at the University
Undergraduate Annual Tuition & Fees
Academic Years 2020 - 2024**

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Tuition	\$13,798	\$14,406	\$15,030	\$15,672	\$16,332
Room & Board ¹	13,258	13,258	13,258	13,622	13,996
General University Fee ²	1,380	1,380	1,380	1,474	1,570
Other Fees ³	<u>2,048</u>	<u>2,048</u>	<u>2,114</u>	<u>2,288</u>	<u>2,464</u>
Total	\$30,484	\$31,092	\$31,782	\$33,056	\$34,362

¹The Room and Board Fee reflects a standard double and the Value Meal Plan. Lower and higher cost options are available.

² Beginning in 2019, the Student Health Service Fee was moved from the General University Fee category to Other Fees.

³ Other Fees includes fees collected by the University on behalf of various student-controlled organizations.

Student Financial Aid

Refer to the Special Obligation Official Statement for Financial Aid to University Students (excluding Tuition Waivers).

UNIVERSITY FINANCES

Financial Statements of the University

The audited financial statements of the University of Connecticut and the audited financial statements for the University of Connecticut Health Center (excluding the University of Connecticut Foundation, Inc.) for the Fiscal Year ended June 30, 2022, are included as Schedule 1 and Schedule 2, respectively, herein.

Below is a five-year presentation of the Statement of Revenues, Expenses and Changes in Net Position for the Fiscal Years ended June 30, 2018, 2019, 2020, 2021 and 2022. See “UNIVERSITY OF CONNECTICUT HEALTH CENTER” below in this Annual Report for the same information for UConn Health.

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Statements of Revenues, Expenses, and Changes in Net Position

(\$ in thousands)

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
OPERATING REVENUES					
Student tuition and fees ¹	\$ 386,921	\$ 396,780	\$ 422,519	\$ 397,237	\$ 427,959
Federal grants and contracts	106,561	121,593	125,936	147,547	148,970
State and local grants and contracts	19,441	17,959	19,944	16,364	17,871
Nongovernmental grants and contracts	18,386	23,577	21,042	20,012	23,871
Sales and services of educational departments	23,708	22,710	15,688	25,355	22,687
Sales and services of auxiliary enterprises ²	210,990	211,036	169,016	73,577	171,753
Other sources	14,009	29,750	31,960	26,943	30,745
Total Operating Revenues	<u>780,016</u>	<u>823,405</u>	<u>806,105</u>	<u>707,035</u>	<u>843,856</u>
OPERATING EXPENSES					
Salaries and wages	569,359	569,872	602,873	617,225	674,458
Fringe benefits	338,545	417,689	597,737	685,126	515,739
Supplies and other expenses	264,456	279,602	257,977	226,404	248,545
Utilities	19,655	21,063	20,167	17,295	22,475
Depreciation and amortization	108,185	119,346	117,870	122,695	135,566
Scholarships and fellowships	8,870	11,409	23,367	28,866	50,948
Total Operating Expenses	<u>1,309,070</u>	<u>1,418,981</u>	<u>1,619,991</u>	<u>1,697,611</u>	<u>1,647,731</u>
Operating Loss	<u>(529,054)</u>	<u>(595,576)</u>	<u>(813,886)</u>	<u>(990,576)</u>	<u>(803,875)</u>
NONOPERATING REVENUES (EXPENSES)					
State appropriation	342,987	356,898	376,866	397,910	459,788
State debt service commitment for interest	70,740	77,333	78,963	74,170	75,947
Federal and state financial aid	37,986	42,222	64,549	115,892	134,741
Gifts	19,732	28,185	21,790	24,715	33,502
Investment income	6,059	11,957	7,881	794	1,742
Interest expense	(64,672)	(70,460)	(71,102)	(66,114)	(68,338)
Disposal of capital assets, net	(1,524)	(2,345)	(1,912)	(3)	(2,346)
Other nonoperating revenue (expenses), net	(2,475)	745	207	2,594	(5,230)
Net Nonoperating Revenues	<u>408,833</u>	<u>444,535</u>	<u>477,242</u>	<u>549,958</u>	<u>629,806</u>
Loss Before Other Changes in Net Position	<u>(120,221)</u>	<u>(151,041)</u>	<u>(336,644)</u>	<u>(440,618)</u>	<u>(174,069)</u>
OTHER CHANGES IN NET POSITION					
State debt service commitment for principal	187,269	154,405	-	140,295	214,185
Capital grants and gifts	5,099	3,907	2,276	11,640	1,976
Additions to permanent endowments	338	171	171	164	1,996
Athletic conference fees	-	-	(16,436)	(3,500)	-
Transfer to affiliate	-	-	-	(2,000)	(228)
Net Other Changes in Net Position	<u>192,706</u>	<u>158,483</u>	<u>(13,989)</u>	<u>146,599</u>	<u>217,929</u>
Increase (Decrease) in Net Position	<u>72,485</u>	<u>7,442</u>	<u>(350,633)</u>	<u>(294,019)</u>	<u>43,860</u>
NET POSITION					
Net Position – Beginning of Year, Adjusted	7,743 ³	91,418 ⁴	98,860	(251,773)	(544,078) ⁵
Net Position – End of Year	<u>\$ 80,228</u>	<u>\$ 98,860</u>	<u>\$ (251,773)</u>	<u>\$ (545,792)</u>	<u>\$ (500,218)</u>

¹ Net of scholarship allowances of \$156,962, \$172,581, \$182,914, \$197,042, and \$199,252, respectively.

² Net of scholarship allowances of \$6,495, \$7,827, \$8,563, \$7,395, and \$16,556, respectively.

³ During fiscal year 2018, the University of Connecticut adopted GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. As a result, beginning net position for the fiscal year ended June 30, 2018, was restated by \$1,235,502 for the cumulative effect of applying this standard.

⁴ The University of Connecticut overstated compensated absences liability reported as of June 30, 2018. This amount included fringe benefit costs for defined benefit plans that were also included in net pension and net OPEB liabilities upon implementation of 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*. As a result, beginning net position for the fiscal year ended June 30, 2019, was restated by \$11,190.

⁵ During fiscal year 2022, the University of Connecticut adopted GASB Statement No. 87, *Leases*. As a result, beginning net position for the fiscal year ended June 30, 2022, was restated by \$1,714 for the cumulative effect of applying this standard.

University Budget (Storrs and Regional Campuses)

Fiscal Year 2023 Budget. The Fiscal Year 2023 budget includes a balanced budget of \$1,708.7 million in expenditures and \$1,708.7 million of revenue.

Fiscal Year 2023 Revenue Budget. For Fiscal Year 2023, State support is budgeted at a level of \$445.9 million (allotment \$254.6 million and fringe benefits/adjustments \$191.3 million including year-end accounting accruals), a decrease of \$13.6 million or 3.0% less than the Fiscal Year 2022 amount. State support is the second largest source of revenue for the University. The Fiscal Year 2023 state support includes \$21.7 million of collective bargaining increase funding and \$24.7 million in carry-forward funding to cover various programmatic needs and the 27th payroll. Tuition is the largest source of revenue (excluding waivers) and is budgeted at \$505.2 million, an increase of \$36.9 million or 7.9% over the Fiscal Year 2022 amount. Tuition revenue collections reflect a \$642 annual rate increase. Fee revenue is comprised of course fees from summer school, part-time, and non-degree students as well as self-supporting programs (off-campus MBA, EMBA, etc.). Also included in this category is the General University Fee, which supports multiple student support programs. There are various other fees included in this category such as the Student Recreation Center Fee, Infrastructure Maintenance Fee, Application Fees and Late Payment Fees. The fee collections for Fiscal Year 2023 are budgeted to be \$160.1 million, an increase of \$7.1 million or 4.6% more than the Fiscal Year 2022 amount. Auxiliary Enterprise Revenue is budgeted to be \$201.9 million, which is an increase of \$14.0 million or 7.5% more than the Fiscal Year 2022 amount. Residence halls and rental properties, dining services and athletics generate most of the Auxiliary Enterprise Revenue. With respect to the Research Fund, the granting agency or donor restricts most of the revenues. Research Fund revenues for Fiscal Year 2023 are budgeted to be \$172.3 million, which is a \$21.8 million increase or 14.5% more than Fiscal Year 2022.

Fiscal Year 2023 Expenditures Budget. Total Fiscal Year 2023 expenditures of \$1,708.7 million are budgeted to increase by \$41.0 million or 2.5% more than the Fiscal Year 2022 amount. Personal services expenditures are budgeted to reach \$601.3 million or \$15.5 million more than Fiscal Year 2022. Fringe benefit expenditures are budgeted to be \$366.1 million or \$22.2 million more than Fiscal Year 2022. Financial Aid expenditures are budgeted to be \$244.9 million, which is a decrease of \$17.9 million or 6.8% less than the Fiscal Year 2022 amount.

In addition to results of operations for Fiscal Years 2019-2022, the following schedule reflects the Fiscal Year 2023 budget.

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Statement of Current Funds Operations¹ (in millions)

	<u>FY19</u>	<u>FY20</u>	<u>FY21</u>	<u>FY22</u>	<u>FY23</u>
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>
Current Funds Revenues:					
Operating Fund					
State Support	\$ 356.7	\$ 376.7	\$ 397.8	\$459.5	\$445.9
Tuition (Net of Discounts)	426.4	445.3	449.6	468.3	505.2
Fees	137.7	154.5	138.6	153.0	160.1
Auxiliary Enterprise Revenue	218.9	177.6	81.0	187.9	201.9
All Other Revenues	<u>173.6</u>	<u>189.3</u>	<u>237.1</u>	<u>264.1</u>	<u>223.3</u>
Total Operating Fund	\$1,313.3	\$1,343.4	\$1,304.1	\$1,532.8	\$1,536.4
Research Fund	<u>122.2</u>	<u>118.9</u>	<u>140.7</u>	<u>150.5</u>	<u>172.3</u>
Total Current Funds Revenues	\$1,435.5	\$1,462.4	\$1,444.8	\$1,683.3	\$1,708.7
Current Funds Expenditures:					
Operating Fund					
Personal Services	\$ 501.2	\$ 531.6	\$ 542.0	\$585.8	\$601.3
Fringe Benefits	285.9	305.9	322.4	343.9	366.1
Other Expenses	258.5	250.9	212.1	228.2	250.5
Equipment	23.2	22.3	15.3	19.6	18.1
Student Financial Aid	188.2	211.7	229.8	262.8	244.9
Non-mandatory/Projects	<u>49.6</u>	<u>22.5</u>	<u>2.9</u>	<u>75.2</u>	<u>55.8</u>
Total Operating Fund	\$1,306.6	\$1,344.9	\$1,324.5	\$1,515.5	\$1,536.7
Research Fund Expenditures	<u>122.4</u>	<u>119.8</u>	<u>135.6</u>	<u>152.1</u>	<u>172.0</u>
Total Current Funds Expenditures	\$1,429.0	\$1,464.7	\$1,460.0	\$1,667.7	\$1,708.7
Mitigating Actions				<u>(15.3)</u>	
Lapses			<u>15.3</u>		
Net Gain (Loss)	<u>\$ 6.5</u>	<u>(\$ 2.4)</u>	<u>\$ 0.0</u>	<u>\$ 0.3</u>	<u>\$ 0.0</u>

¹The University prepares and presents its Operating Budget in a current funds format. The current funds format shows gross student tuition and fees and does not net out scholarship allowances, as required in the financial statements which are prepared in the GASB Nos. 34/35 format. Scholarship allowances are shown as an expense item. In addition, the University's current funds format includes equipment purchases as an expense, does not include depreciation or amortization, does not include pension and OPEB expenses as it relates to GASB 68 and does not include the State debt service commitment for principal and interest. All expenses related to legal matters in the current funds format are reflected in the fiscal year that they are paid.

Note: Totals may not add due to rounding.

State Support of the University - Appropriations

Refer to the Special Obligation Official Statement for the Schedule of State Operating Support and Fringe Benefits to the University.

State Support of the University – Bond Issuance

Refer to the Special Obligation Official Statement for State Legislative Bond Authorizations for the University.

Grants and Contracts

Revenue from federal, state, local and non-governmental grants and contracts totaled \$190.7 million in Fiscal Year 2022, representing 22.6% of total operating revenues reported by the University in the Statement of Revenues, Expenses and Changes in Net Position for the Fiscal Year ended June 30, 2022, included in this Annual Report. If nongovernmental grants are excluded, the revenue from federal, state, and local governmental grants and contracts, totaled \$166.8 million for this time period, which represented 19.8% of total operating revenues.

Grants and Contracts for Fiscal Years 2018 - 2022 (In Millions of Dollars)

Fiscal Year	Governmental Grants & Contracts	Nongovernmental Grants & Contracts	Total*
2018	\$126.0	\$18.4	\$144.4
2019	139.6	23.6	163.1
2020	145.9	21.0	166.9
2021	163.9	20.0	183.9
2022	166.8	23.9	190.7

* Amounts were updated to reflect financial statement reclassifications of revenues (Federal Financial Aid) from operating to nonoperating revenues.

The University of Connecticut Foundation, Inc.

The University of Connecticut Foundation, Inc., (the “Foundation”) is a separate entity that supports the mission of the University. For financial reporting purposes, the Foundation is an independent, privately governed institution, which is separately audited. The Foundation operates exclusively for charitable and educational purposes, raising funds to promote, encourage, and assist education and research at the University and UConn Health. The Foundation solicits and accepts donations of properties, monies, and securities and invests and administers these gifts. The Foundation materially supports the mission of both the University and UConn Health.

Gift revenue to the University, both capital and noncapital, is derived from gifts made directly to the University and from the Foundation. These spendable funds are provided to the University for educational, cultural, recreational, and research activities. The Foundation disburses funds to the University as requests are made, provided the request is in accordance with donor restrictions, if any. These disbursements paid to the University and to third parties on behalf of the University from the Foundation totaled approximately \$35.9 million in Fiscal Year 2022 compared to \$33.6 million in Fiscal Year 2021. In addition, the University receives gifts directly. Total non-operating gifts and capital gifts and grants revenue to the University from all sources amounted to \$2.6 million and \$3.0 million in Fiscal Years 2022 and 2021, respectively.

Giving University-wide continued at record levels, with contributions of \$115.0 million to support the University students, faculty, and programs during Fiscal Year 2022. Of the \$115.0 million in new gifts and commitments, \$29.4 million was directed for scholarships and fellowships, \$41.5 million for program support, \$24.4 million for research, \$5.9 million for faculty support, and \$13.8 million for capital improvements. Donors contributed \$37.2 million to the University’s endowment. The endowment portfolio was valued at \$594.1 million at the end of Fiscal Year 2022, including \$242.8 million for scholarships and fellowships, \$156.9 million for endowed chairs, professorships and other faculty support, and \$194.4 million for programmatic priorities. Endowed funds are managed by the Foundation Board of Directors’ investment committee, Foundation management, and staff. The endowment is managed as a single portfolio, but funds are invested in various asset classes to diversify risk.

University of Connecticut Foundation, Inc.
Summary of Total Assets, Revenue and Expenditures
For Fiscal Years 2018 -2022 (in thousands)

Assets	2018	2019	2020	2021	2022
Endowment assets	\$ 446,492	\$ 458,743	\$ 458,742	\$ 610,362	\$ 577,688
All other assets	113,857	138,866	158,750	159,420	166,905
Total Assets	560,349	597,609	617,492	769,782	744,593
Support and Revenue					
Contributions and educational support	65,045	40,184	38,334	55,740	55,771
Payment from the University	10,480	11,167	12,150	12,150	12,150
Investment income, net	32,925	21,987	24,051	139,346	(31,859)
Other revenues	1,591	1,669	1,050	3,332	822
Total Support and Revenue	110,041	75,007	75,585	210,568	36,884
Expenditures					
Disbursements to and on behalf of the University	28,396	35,344	26,049	33,649	35,881
Foundation expenses (development, asset mgt, admin)	22,790	24,049	23,081	22,668	23,978
Total Expenditures	51,186	59,393	49,130	56,317	59,859
Support and Revenues Over/Under Expenditures	\$ 58,855	\$ 15,614	\$ 26,455	\$ 154,251	\$ (22,975)

The University of Connecticut Law School Foundation, Inc., was dissolved on July 1, 2017 and assets and operations have been transferred to the Foundation.

University Indebtedness

Refer to the Special Obligation Official Statement for Debt Service on General Obligation Bonds and Debt Service on Special Obligation Bonds.

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Total UCONN 2000 Debt Obligations Outstanding

	Original Par Amount ⁽¹⁾	Amount Outstanding Currently ⁽¹⁾	Dated Date
General Obligation Debt Service Commitment Bonds			
GO DSC 2013 Series A	\$ 172,660,000	\$ 94,950,000	July 31, 2013
GO DSC 2013 Series A Refunding ⁽²⁾	51,250,000	17,610,000	July 31, 2013
GO DSC 2014 Series A	109,050,000	65,415,000	April 22, 2014
GO DSC 2014 Series A Refunding ⁽³⁾	92,940,000	3,980,000	April 22, 2014
GO DSC 2015 Series A	220,165,000	143,105,000	April 16, 2015
GO DSC 2015 Series A Refunding ⁽⁴⁾	34,625,000	13,735,000	April 16, 2015
GO DSC 2016 Series A	261,510,000	183,050,000	April 21, 2016
GO DSC 2016 Series A Refunding ⁽⁵⁾	80,425,000	18,585,000	April 21, 2016
GO DSC 2017 Series A	311,200,000	233,400,000	January 19, 2017
GO DSC 2018 Series A	276,075,000	220,860,000	May 3, 2018
GO DSC 2019 Series A	174,785,000	139,825,000	May 8, 2019
GO DSC 2019 Series A Refunding ⁽⁶⁾	64,680,000	38,950,000	May 8, 2019
GO DSC 2020 Series A	160,230,000	152,215,000	December 17, 2020
GO DSC 2020 Series A Refunding ⁽⁷⁾	119,085,000	106,735,000	December 17, 2020
GO DSC 2022 Series A	227,185,000	227,185,000	April 13, 2022
Total⁽⁸⁾⁽¹²⁾		\$ 1,659,600,000	
Special Obligation Student Fee Revenue Bonds			
UCONN 2000 SPEC OB 2018-A	\$ 141,725,000	\$ 131,090,000	March 29, 2018
UCONN 2000 SPEC OB 2022-A Refunding ⁽⁹⁾	52,515,000	52,515,000	November 15, 2022
Total⁽¹⁰⁾⁽¹²⁾		\$ 183,605,000	
Capital Leases			
Governmental Lease Purchase Agreement	\$ 75,000,000	\$ 14,679,321	December 18, 2003
Governmental Lease Purchase Agreement	6,900,000	1,376,332	August 15, 2005
Total⁽¹¹⁾⁽¹²⁾		\$ 16,055,652	

¹ "Original Par Amount" includes bonds previously refunded. "Amount Currently Outstanding" is net of bonds previously refunded.

² The General Obligation DSC 2013-A Refunding Bonds refunded \$54,375,000 of the outstanding General Obligation DSC Series 2004A and 2005A Bonds.

³ The General Obligation DSC 2014-A Refunding Bonds refunded \$97,930,000 of the outstanding General Obligation DSC Series 2004A Refunding and 2005A Bonds.

⁴ The General Obligation DSC 2015-A Refunding Bonds refunded \$38,550,000 of the outstanding General Obligation DSC Series 2006A Bonds.

⁵ The General Obligation DSC 2016-A Refunding Bonds refunded \$88,535,000 of the outstanding General Obligation DSC Series 2006A Refunding Bonds and 2007A Bonds.

⁶ The General Obligation DSC 2019-A Refunding Bonds refunded \$72,060,000 of the outstanding General Obligation DSC Series 2009A Refunding Bonds.

⁷ The General Obligation DSC 2020-A Refunding Bonds refunded \$138,340,000 of the outstanding General Obligation DSC Series 2010A and 2011 Series A Refunding Bonds.

⁸ The Debt Service on the General Obligation Bonds is payable from the Debt Service Commitment of the State.

⁹ The Special Obligation 2022-A Refunding Bonds refunded all of the outstanding \$54,795,000 Special Obligation Series 2012A Refunding Bonds.

¹⁰ Debt Service on the Special Obligation Bonds are payable from certain Pledged Revenues of the University as further defined in the Special Obligation Indenture of Trust, dated as of January 1, 1997, as amended.

¹¹ Does not include capital lease obligations subject to annual appropriation.

¹² Totals may not sum due to rounding.

Statement of Coverage Levels⁽¹⁾
Fiscal Year Ended June 30
(Amounts in Thousands)

	Actual					Projected				
	2018	2019	2020	2021	2022	2023	2024	2025 ^(F)	2026	2027
Pledged Revenues (Gross)^(A)										
Infrastructure Maintenance Fee	\$ 12,081	\$ 12,110	\$ 12,041	\$ 11,850	\$ 11,887	\$ 14,203	\$ 15,725	\$ 15,725	\$ 15,725	\$ 15,725
General University Fee	38,795	38,260	39,236	29,230	39,912	42,611	44,246	44,246	44,246	44,246
Investment Income	756	2,493	673	16	2	19	19	19	19	19
New Athletic Stadia - FIT (Facility Investment Together) Fee	796	809	729	-	550	550	550	550	550	550
New Student Recreation Center Fee	-	-	10,340	7,735	10,269	10,269	10,269	10,269	10,269	10,269
Total Pledged Revenues (Gross)	52,429	53,672	63,018	48,831	62,620	67,652	70,809	70,809	70,809	70,809
Pledged Revenues (Subject to Expenses Below)^(A)										
Residential Life Room Fee and Student Apartment Rentals	90,079	92,229	74,143	36,517	78,050	90,625	93,117	95,678	98,309	101,012
Board (Dining) Fee	71,394	72,673	57,659	23,809	61,688	72,485	74,479	76,527	78,631	80,794
Husky Village (Greek Housing) Fee	2,544	2,597	2,659	4	2,628	2,701	2,775	2,851	2,930	3,010
Parking and Transportation Fees	9,934	11,077	9,513	4,712	10,564	10,564	11,062	11,062	11,062	11,062
Total Pledged Revenues (Subject to Expenses Below)	173,951	178,576	143,974	65,042	152,930	176,375	181,433	186,118	190,932	195,879
Expenses^(A)										
Residential Life Rooms and Student Apartments	(61,254)	(64,139)	(55,692)	(42,149)	(45,194)	(61,289)	(62,514)	(63,765)	(65,040)	(66,341)
Board (Dining)	(61,297)	(59,097)	(49,818)	(31,961)	(42,289)	(62,337)	(64,207)	(66,133)	(68,117)	(70,160)
Husky Village (Greek Housing)	(604)	(632)	(395)	(526)	(592)	(604)	(616)	(628)	(641)	(654)
Parking and Transportation	(8,587)	(8,021)	(7,362)	(6,235)	(8,348)	(8,515)	(8,685)	(8,859)	(9,036)	(9,217)
Total Expenses	(131,743)	(131,889)	(113,267)	(80,871)	(96,422)	(132,744)	(136,022)	(139,385)	(142,834)	(146,372)
Net Revenues Available	42,208	46,687	30,707	(15,829)	56,508	43,631	45,411	46,733	48,098	49,507
Total Pledged Revenues Available for Debt Service	94,637	100,359	93,725	33,001	119,128	111,283	116,220	117,542	118,907	120,316
Debt Service^(B)										
Debt Service on 2022 Refunding Series A Revenue Bonds	-	-	-	-	-	(1,313)	(8,885)	(8,891)	(8,885)	(8,900)
Debt Service on 2018 Series A Revenue Bonds	(882)	(7,615)	(9,143)	(9,151)	(9,145)	(9,143)	(9,148)	(9,145)	(9,146)	(9,144)
Debt Service on 2012 Refunding Series A Revenue Bonds	(6,625)	(6,621)	(6,621)	(6,620)	(6,615)	(7,899)	-	-	-	-
Debt Service on 2010 Refunding Series A Revenue Bonds	(4,925)	(4,781)	(21,777)	-	-	-	-	-	-	-
Total Debt Service	(12,432)	(19,017)	(37,542)	(15,772)	(15,760)	(18,355)	(18,033)	(18,036)	(18,030)	(18,045)
Coverage Calculation^(C)	7.61	5.28	2.50	2.09	7.56	6.06	6.44	6.52	6.59	6.67
Reserves Available for Renewal, Replacement and Operations^{(D)(E)}	\$ 19,301	\$ 13,003	\$ 7,049	\$ 4,639	\$ 2,142	\$ 2,142	\$ 2,142	\$ 2,142	\$ 2,142	\$ 2,142
Renewal and Replacement Fund held at Trustee Bank^{(D)(E)}	\$ 10,016	\$ 10,246	\$ 11,904	\$ 13,416	\$ 13,955	\$ 15,455	\$ 15,455	\$ 15,455	\$ 15,455	\$ 15,455

Notes:

⁽¹⁾ See the accompanying assumptions and footnotes which are an integral part of this statement.

Assumptions and Footnotes to Statement of Coverage Levels Special Obligation Student Fee Revenue Bonds

(A) **Assumptions used to build the forecasted and projected revenues and expenses are as follows:**

Revenue

Infrastructure Maintenance Fee - The Infrastructure Maintenance Fee, which funds certain Special Obligation Student Fee Revenue debt service, facilities operating and maintenance costs, and preventive and deferred maintenance costs, was instituted on July 1, 1997. For FY23 and FY24, the Infrastructure Maintenance Fee rate increased by \$90 and \$60, to \$558 and \$618, respectively, for full-time Undergraduate and Graduate/Professional students (excluding Graduate Assistants). The projections for FY25-FY27 are based on no rate increases.

General University Fee ("GUF") - The General University Fee primarily supports Jorgensen Center for the Performing Arts, Student Health Services, Student Activities, Student Union, Wellness and Prevention Services, Athletics, Career Services, Student Recreation, and specific other departments. For FY23, the GUF rate is \$1,474 for full-time Undergraduate students and \$976 for full-time Graduate/Professional students at the Storrs campus, with a \$400 credit to Graduate Assistants. This represents a \$94 increase over FY22. The FY24 GUF is \$1,570 for full-time Undergraduate students and \$1,072 for full-time Graduate/Professional students at the Storrs campus. The Student Health Services Fee is reflected in the GUF line on the Statement of Coverage Levels, which increased by \$50 and \$90 for both Undergraduate and Graduate/Professional students in FY23 and FY24, respectively. The projections for FY25-FY27 are based on no rate increases.

Investment Income - Bond proceeds are invested in the State Treasurer's Short-Term Investment Fund, which has daily liquidity and rates. Interest rates have increased recently, and the University is using for the purposes of this table a projected rate of return for future earnings of 2.36% from FY23-FY27. The actual historical rates may be found on the State of Connecticut Office of the State Treasurer website. The investment earnings on this table do not reflect the investment of proceeds from the Trustee Bank-held Renewal and Replacement Fund.

Residential Life Room Fee and Student Apartment Rentals - The Undergraduate regular double room rate for FY23 is \$7,436, reflecting a \$198 increase over FY22. Housing counts are also higher in FY23, up to 11,493, reflecting 94% occupancy. The projections for FY23-FY27 are based on 94% occupancy with 2.75% rate increases annually.

Board (Dining) Fee - In FY23, the most popular meal plans are the Ultimate Meal Plan and the Value Meal Plan, which cost \$6,348 and \$6,186, respectively. A Custom Meal Plan is also available for \$5,866. The projections for FY23-FY27 are based on 94% occupancy with 2.75% rate increases annually.

Husky Village (Greek Housing) Fee - The Husky Village room rate is \$9,110 in FY23, reflecting a 2.75% rate increase over FY22. The projections for FY24-FY27 are based on 2.75% increases annually.

Parking and Transportation Fees - Parking and Transportation Fees consist of the Transit Fee, Parking Permits, Parking Tickets, Transient Parking, Meter Revenue, and Event Parking. FY23 and FY24 parking revenues reflect a \$10 and \$16 increase in the Transit Fee, respectively. The projections for FY25-FY27 are based on no rate increases.

New Student Recreation Center Fee - Beginning in FY20, mandatory student fee for Storrs-based students; in FY23, the Undergraduate rate is \$500/year, and the Graduate rate is \$400/year beginning. The projections for FY24-27 are based on no rate increases.

New Athletic Stadia - FIT (Facility Investment Together) Fee - Beginning FY18, a \$5 surcharge on football tickets, a \$2 surcharge on men's ice hockey, men's basketball, and women's basketball tickets, and a \$1 surcharge on men's and women's soccer tickets. Projections for FY23-FY27 assume no fee increases and attendance holding at FY22 levels.

Expenses - Included in expenses are all direct expenses and certain operating transfers.

CRF/HEERF III - The University received \$10.75 million in FY20 under the CARES Act, Coronavirus Relief Fund (CRF), for refunded room and board income. These funds were used to offset expenses. In FY21 and FY22, the University applied funds to offset housing and dining revenue losses due to COVID. Based on Federal guidance, the University can reasonably allocate a portion of the COVID money to the cost of repairing, insuring, and operating those facilities for which such fees are imposed. These funds are reflected as offsets in expenditures, following Federal guidance.

Residential Life Rooms and Student Apartments - FY20, FY21, and FY22 reflect the offset of expenditures from HEERF funds and reduced occupancy. The projection for FY23 assumes increased costs reflecting additional occupancy and 2% inflationary growth; FY24-FY27 assumes 2% inflationary growth.

Board (Dining) - FY20, FY21, and FY22 reflect the offset of expenditures from HEERF funds and reduced occupancy. The projection for FY23 assumes increased costs reflecting additional occupancy and 3% inflationary growth; FY24-FY27 assumes 3% inflationary growth.

Husky Village (Greek Housing) - The projection for FY23-FY27 assumes 2% inflation at 94% occupancy.

Parking and Transportation - The projection for FY23-FY27 assumes 2% inflation.

- (B) On November 15, 2022, the Special Obligation 2022 Refunding Series A Revenue Bonds refunded all the outstanding \$54,795,000 of Special Obligation 2012 Refunding Series A Revenue Bonds. The 2002 Series A Revenue Bonds and 2002 Series A Refunding Revenue Bonds were refunded in December 2012, the 2000 Series A Revenue Bonds were refunded in February 2002, and the 1998 Series A Revenue Bonds were refunded in June 2010. All the \$16,745,000 outstanding 2010 refunding bonds were optionally called and retired, causing a one-time impact to debt service on November 15, 2019, with pledged revenue.
- (C) No assurance can be given that these coverage levels will not change since projections can vary, and the University may authorize additional projects and issue additional bonds under the Special Obligation Indenture; the effect of which may change coverage levels subject to the rate covenant of 1.25 times the maximum Debt Service Requirement on all Outstanding Bonds (including the additional bonds). See the Special Obligation Indenture for related information.
- (D) Reserves Available for Renewal, Replacement and Operations and Renewal and Replacement Fund held at Trustee Bank:
Reserves Available for Renewal, Replacement, and Operations represent funds reserved for the payment or reimbursement of extraordinary expenses incurred for the rebuilding, replacement, relocating, repair and restoration of any UCONN 2000 project financed by the University under the Indentures and other facilities which are part of the physical plant enabling the University to operate and maintain the physical plant in sound operating condition. Funds may also be used in the event of significant revenue or expense variances. Additionally, pursuant to the Indenture, the University established a Renewal and Replacement Fund ("R&RF") at the Trustee Bank which may be used for similar purposes, including debt service. The assets are pledged as part of the Trustee Bank and are shown at the bottom of the coverage table.
- (E) Additionally, not reflected on this table, the University maintains other unrestricted funds apart from Pledged Revenues which are available to pay debt service for current and future Special Obligation Bonds and other uses including renewal and replacement, which as of June 30, 2022 had a balance of \$23.4 million which was invested in the State Treasurer's Short Term Investment Fund (STIF).
- (F) The University is in the construction stage of a new on-campus hockey arena. This may require a new special obligation bond issuance of \$33 million in FY25. The debt service shown in this table for FY23-FY27 reflects debt service on the Special Obligation Bonds issued and outstanding as of the date of this filing.

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UNIVERSITY OF CONNECTICUT HEALTH CENTER

Student Enrollment

Enrollment. UConn Health's enrollment in Fall 2022 was approximately 450 in the School of Medicine, 200 in the School of Dental Medicine, and 300 Graduate students. Admission to each school is highly competitive, but both schools offer preferential consideration to qualified Connecticut residents in their admissions policies. School of Dental Medicine students have a long history of outstanding performance on the National Boards.

Average Total MCAT and DAT Scores Fall 2018 - 2022

<u>Fall</u>	<u>MCAT</u>	<u>DAT</u>
2018	512.2	21.4
2019	512.1	22.0
2020	512.0	21.6
2021	511.0	21.8
2022	512.0	21.0

Passing Rates on National Exams 2017 - 2022

<u>Year</u>	<u>School of Medicine</u>	<u>School of Dental Medicine</u>
2017	99%	100%
2018	97	100
2019	97	100
2020	99	100
2021	98	100
2022	Not available	100

Tuition and Other Fees

Pursuant to State law, the Board of Directors is authorized to adopt a comprehensive schedule of tuition and other fees which are expected to prevail during the following fiscal year. Such tuition and fees must comply with the policy of the Office of Higher Education that requires them to be between the 70th and 75th percentiles of public schools nationally.

Tuition. For the 2023 academic year, tuition for Connecticut residents has been set at \$43,156 for School of Medicine students and \$39,703 for School of Dental Medicine students; and tuition for out-of-state students is set at \$74,367 for the School of Medicine and \$80,146 for the School of Dental Medicine.

Mandatory Fees. For the 2023 academic year, students will pay a fee of \$2,785 for the School of Medicine and \$3,038 for the School of Dental Medicine. This fee includes payments for commencement, student affairs, and a student activity fee. An optional student health plan is available for an additional fee.

**Annual Cost of an In-State Student Enrolled
at UConn Health by School
Academic Years 2020 - 2024**

School of Medicine

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Tuition	\$38,585	\$40,287	\$41,697	\$43,156	\$44,666
Fees	<u>3,035</u>	<u>2,785</u>	<u>2,785</u>	<u>2,785</u>	<u>2,785</u>
Total	\$41,620	\$43,072	\$44,482	\$45,941	\$47,451

School of Dental Medicine

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Tuition	\$35,810	\$37,063	\$38,360	\$39,703	\$41,291
Fees	<u>2,627</u>	<u>2,719</u>	<u>2,939</u>	<u>3,038</u>	<u>3,111</u>
Total	\$38,437	\$39,782	\$41,299	\$42,741	\$44,402

Percentage of Enrollment by Residence Status

Fall 2018 - 2022

<u>Fall</u>	<u>School of Medicine</u>		<u>School of Dental Medicine</u>	
	<u>In-State</u>	<u>Out-of-State</u>	<u>In-State</u>	<u>Out-of-State</u>
2018	90.8%	9.2%	87.0%	13.0%
2019	96.2	3.8	86.0	14.0
2020	90.7	9.3	90.0	10.0
2021	92.3	7.7	90.0	10.0
2022	91.5	8.5	88.0	12.0

UConn Health FINANCES

Financial Statements of UConn Health

Below is a five-year presentation of the Statement of Revenues, Expenses and Changes in Net Position for the Fiscal Years ended June 30, 2018, 2019, 2020, 2021 and 2022.

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Statement of Revenues, Expenses and Changes in Net Position

(\$ in thousands)

	2018	2019	2020	2021	2022
OPERATING REVENUES					
Student tuition and fees ¹	\$ 18,613	\$ 20,655	\$ 21,636	\$ 23,475	\$ 23,871
Patient services ²	580,697	534,494	513,608	628,899	743,493
Federal grants and contracts	50,748	58,196	58,055	68,185	96,326
Nongovernmental grants and contracts	29,337	30,016	27,872	24,977	26,357
Contract and other operating revenues	127,188	159,745	162,725	155,419	158,365
Total operating revenues	<u>806,583</u>	<u>803,106</u>	<u>783,896</u>	<u>900,955</u>	<u>1,048,412</u>
OPERATING EXPENSES					
Educational and General					
Instruction	179,948	157,396	170,526	178,910	175,456
Research	56,102	52,832	55,173	57,554	77,186
Patient services	747,637	663,701	846,526	966,535	974,933
Academic support	19,322	15,173	20,087	24,986	22,124
Institutional support	112,126	126,922	89,592	159,055	143,483
Operations and maintenance of plant	38,223	37,659	25,112	26,886	27,616
Depreciation	52,637	72,575	72,893	70,375	71,283
Student aid	364	71	25	39	98
Total operating expenses	<u>1,206,359</u>	<u>1,126,329</u>	<u>1,279,934</u>	<u>1,484,340</u>	<u>1,492,179</u>
Operating (loss) income	<u>(399,776)</u>	<u>(323,223)</u>	<u>(496,038)</u>	<u>(583,385)</u>	<u>(443,767)</u>
NONOPERATING REVENUES (EXPENSES)					
State appropriations	279,513	250,846	296,520	330,872	344,029
Transfer to State and outside Programs	-	(1,991)	-	-	20,000
Gifts	5,706	6,146	6,950	3,496	4,417
COVID-19 Relief Funds	-	-	22,518	15,598	87,427
Interest Income - Right to use asset	-	-	-	-	358
Lease Revenue - Right to use asset	-	-	-	-	2,712
Interest income	654	1,385	600	31	129
Interest on capital asset – related debt	(9,909)	(9,619)	(9,354)	(9,028)	(9,935)
Net non-operating revenues	<u>275,964</u>	<u>246,767</u>	<u>317,234</u>	<u>340,969</u>	<u>449,137</u>
Income before other revenues, expenses, gains or losses	<u>(123,812)</u>	<u>(76,456)</u>	<u>(178,804)</u>	<u>(242,416)</u>	<u>5,370</u>
Loss on disposal	(3,092)	(1,898)	(332)	(196)	(779)
Transfer from Affiliate	-	-	-	2,000	228
Capital appropriations	88,806	13,000	-	680	13,000
Total other revenues	<u>85,714</u>	<u>11,102</u>	<u>(332)</u>	<u>2,484</u>	<u>12,449</u>
Increase (decrease) in net position	<u>(38,098)</u>	<u>(65,354)</u>	<u>(179,136)</u>	<u>(239,932)</u>	<u>17,819</u>
NET POSITION					
Net position-beginning of year	126,332	(1,014,953)	(1,120,178)	(1,299,314)	(1,539,246)
Cumulative effect of accounting changes and error corrections	(1,103,187)	(39,871)	-	-	(612)
Net position-beginning of year as restated	<u>(976,855)</u>	<u>(1,054,824)</u>	<u>(1,120,178)</u>	<u>(1,299,314)</u>	<u>(1,539,858)</u>
Net position-end of year	<u>\$ (1,014,953)</u>	<u>\$ (1,120,178)</u>	<u>\$ (1,299,314)</u>	<u>\$ (1,539,246)</u>	<u>\$ (1,522,039)</u>

¹ Net of scholarship allowances of \$5,964, \$6,786, \$7,359, \$6,874 and \$7,219 respectively.

² Net of charity care of \$422, \$396, \$1,345, \$3,658 and \$4,295 respectively.

UConn Health Budget

Fiscal Year 2023 Spending Plan. UConn Health is estimated to end Fiscal Year 2023 with a gain of \$0.6 million. Expected break-even results reflect a commitment by the State of Connecticut per Public Act 22-118 to allocate American Rescue Plan Act of 2021 (“ARPA”) funds of \$72.7 million.

Prior year results in the table below reflect GASB 68, 71 and 75 adjustments made for financial reporting purposes. These adjustments are non-cash in nature and are not included in the annual spending plan.

In addition to actual results of operations for Fiscal Years 2019-2022, the following schedule reflects the Fiscal Year 2023 Budget.

Statement of Current Funds Operations ⁽¹⁾ (in millions)

	<u>FY19</u> <u>Actual</u>	<u>FY20</u> <u>Actual</u>	<u>FY21</u> <u>Actual</u>	<u>FY22</u> <u>Actual</u>	<u>FY23</u> <u>Budget</u>
<u>Revenues:</u>					
State Support	\$250.9	\$296.5	\$330.8	\$386.7	\$418.9
Tuition & Fees	27.4	29.4	30.3	31.2	32.0
Research Grants and Contracts	88.2	85.9	93.2	122.7	111.2
Interns and Residents	69.4	69.2	72.0	72.6	77.2
Net Patient Care	534.5	513.6	628.9	742.8	752.2
Other Income	<u>91.1</u>	<u>119.5</u>	<u>101.9</u>	<u>150.0</u>	<u>186.6</u>
Total Revenues	\$1,061.5	\$1,114.1	\$1,257.1	\$1,506.0	\$1,578.1
<u>Expenses:</u>					
Personal Services	\$418.6	\$443.1	\$465.8	\$504.6	536.5
Fringe Benefits	256.0	396.0	509.2	412.3	359.3
Medical/Dental House Staff	55.9	58.0	59.9	58.7	63.2
Drugs/Medical Supplies	127.3	124.1	163.5	228.0	232.4
Outside & Other Purchased Services	95.6	98.4	100.8	105.0	23.4
Other Expenses	<u>186.3</u>	<u>170.0</u>	<u>168.3</u>	<u>206.7</u>	<u>362.7</u>
Total Expenses	\$1,139.7	\$1,289.6	\$1,467.5	\$1,515.3	\$1,577.5
Net Gain (Loss)	<u>(\$ 78.2)</u>	<u>(\$ 175.5)</u>	<u>(\$ 210.4)</u>	<u>(\$ 9.3)</u>	<u>\$ 0.6</u>

¹ Statement of Current Funds Operations results include certain non-operating expenses as well as year-end adjustments such as the GASB 68 and GASB 71 adjustments. These items are not presented in the UConn Health spending plan \$30.5 million, \$161 million, and \$252.7 and \$82.2 million for Fiscal Years 2019, 2020, 2021 and 2022 respectively.

Grants and Contracts

Revenue from federal, state, local and non-governmental grants and contracts totaled \$122.7 million in Fiscal Year 2022, representing 11.7% of total operating revenues reported by UConn Health in the Statement of Revenues, Expenses and Changes in Net Position for the Fiscal Year ended June 30, 2022, included in this Appendix A. If nongovernmental grants are excluded, the revenue from federal, state, and local governmental grants and contracts, totaled \$104.6 million for this time period, which represented 10.0% of total operating revenues.

**Grants and Contracts
for Fiscal Years 2018 - 2022
(In Millions of Dollars)**

Fiscal Year	Governmental Grants & Contracts	Nongovernmental Grants & Contracts	Total
2018	\$62.1	\$18.0	\$80.1
2019	69.3	18.9	88.2
2020	69.1	16.8	85.9
2021	78.2	15.0	93.2
2022	104.5	18.2	122.7

UConn Health Long-Term Liabilities

Summarized information on UConn Health long-term liabilities is presented in the UConn Health Financial Statements in Schedule 2 herein.

In addition to the Malpractice Fund, UConn Health also maintains certain accrued compensated absences, to the extent that they are not expected to be utilized in the current year, as long-term liabilities. These amounts have been accrued as payables and will offset future payroll expenses as they are utilized.

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ATTACHMENTS:

SCHEDULE 1: Audited Financial Statements of the University of Connecticut for Fiscal Year Ended June 30, 2022

SCHEDULE 2: Audited Financial Statements of the University of Connecticut Health Center for Fiscal Year Ended June 30, 2022