NEW ISSUE – BOOK-ENTRY ONLY **(See "Ratings" herein)**

$52,515,000
UNIVERSITY OF CONNECTICUT
SPECIAL OBLIGATION STUDENT FEE REVENUE BONDS
2022 REFUNDING SERIES A

Dated: Date of Delivery **Due:** As Shown on the Inside Cover

The University of Connecticut Special Obligation Student Fee Revenue Bonds, 2022 Refunding Series A (the "2022 Bonds") are special obligations of the University of Connecticut (the "University"), a body politic and corporate constituting a public instrumentality and agency of the State of Connecticut (the "State"), and are issued pursuant to Sections 10a-109a to 10a-109y inclusive of the General Statutes of Connecticut, as amended (the "UConn 2000 Act"), and the Special Obligation Indenture of Trust, dated as of January 1, 1997, between the University and U.S. Bank Trust Company, National Association, as successor trustee thereunder (the "Trustee"), as amended and supplemented by certain supplemental indentures (as amended and supplemented, the "Special Obligation Indenture"), including as supplemented by the Third Supplemental Indenture, dated as of February 1, 2002 (the "Third Supplemental Indenture"), for the purpose of providing funds for the UConn 2000 Infrastructure Improvement Program. The 2022 Bonds are special obligations of the University, together with all bonds heretofore and hereafter issued under the Special Obligation Indenture and any supplements thereto, secured by a parity pledge of and payable from the Trust Estate consisting of Pledged Revenues, which are special revenues to be received by the University from fees and charges for certain auxiliary campus activities, together with the revenues or other receipts, funds or moneys held in or set aside in the Trust Estate. See "NATURE OF OBLIGATION AND SOURCES OF REPAYMENT" herein.

The 2022 Bonds do not constitute a general obligation of the University or a debt or liability of the State, including within the meaning of Section 3-21 of the General Statutes of the State, or any political subdivision thereof or a pledge of the faith and credit of the State, the University or any other political subdivision of the State, but shall be payable solely from the resources of the University described herein as the Trust Estate. The issuance of the 2022 Bonds by the University does not obligate the State or any municipality or political subdivision of the State to levy or pledge any form of taxation. The University has no taxing power.

The 2022 Bonds are issuable only as fully-registered bonds, without coupons, and when issued will be registered in the name of Cede & Co., as Bondowner and nominee for The Depository Trust Company ("DTC"), New York, New York. DTC will act as securities depository for the 2022 Bonds. Purchases of the 2022 Bonds will be made in book-entry form, in the denomination of $5,000 or any integral multiple thereof. Purchasers will not receive certificates representing their ownership interests in the 2022 Bonds. So long as Cede & Co. is the Bondowner, as nominee of DTC, reference herein to the Bondowner or owners shall mean Cede & Co., as aforesaid, and shall not mean the beneficial owners (as defined herein) of the 2022 Bonds. See "BOOK-ENTRY-ONLY SYSTEM" herein. Principal of and interest on the 2022 Bonds will be paid directly to DTC by the Trustee, as Paying Agent, so long as DTC or its nominee, Cede & Co., is the Bondowner. Disbursement of such payments to the DTC Participants is the responsibility of DTC and disbursement of such payments to the beneficial owners is the responsibility of the DTC Participants and the Indirect Participants, as more fully described herein.

Interest on the 2022 Bonds will be payable semi-annually on May 15 and November 15, in each year, commencing on May 15, 2023.

(See inside front cover for maturities, interest rates and prices or yields.)

The 2022 Bonds are NOT subject to redemption prior to maturity.

In the opinions of Hawkins Delafield & Wood LLP, Hartford, Connecticut, Lead Bond Counsel to the University, and Pullman & Comley, LLC, Hartford, Connecticut, Co-Bond Counsel to the University (collectively, "Bond Counsel"), rendered in reliance upon and assuming the accuracy of and continuing compliance by the University with its representations and covenants relating to certain requirements of the Internal Revenue Code of 1986, as amended, under existing law, interest on the 2022 Bonds is excluded from gross income of the owners thereof for federal income tax purposes and is not treated as a preference item for purposes of calculating the federal alternative minimum tax; however, such interest is included in the "adjusted financial statement income" of certain corporations that are subject to the alternative minimum tax imposed on such corporations for tax years beginning after December 31, 2022. See "TAX MATTERS" herein.

In the opinions of Bond Counsel, under existing statutes, interest on the 2022 Bonds is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates and is excluded from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay the federal alternative minimum tax.

The 2022 Bonds are offered when, as, and if issued and received by the Underwriters, subject to the approval of legality by Bond Counsel, and certain other conditions. Certain legal matters will be passed upon for the Underwriters by their Co-Counsel, Robinson & Cole LLP, Hartford, Connecticut and Bryant Rabbino LLP, New York, New York. It is expected that the 2022 Bonds in definitive form will be available for delivery at DTC in New York, New York on or about November 15, 2022.

PIPER SANDLER & CO.

Loop Capital Markets **RBC Capital Markets**

Academy Securities	**AmeriVet Securities, Inc.**	**Citigroup**
Fidelity Capital Markets	**Janney Montgomery Scott LLC**	**J.P. Morgan**
Ramirez & Co., Inc.	**Stifel**	**TD Securities**
	Wells Fargo Securities	

October 27, 2022

$52,515,000
UNIVERSITY OF CONNECTICUT
SPECIAL OBLIGATION STUDENT FEE REVENUE BONDS
2022 REFUNDING SERIES A

MATURITY SCHEDULE

Due November 15	Principal Amount	Interest Rate	Yield	CUSIP†
2023	$6,420,000	5.000%	3.210%	914225HM2
2024	6,755,000	5.000	3.320	914225HN0
2025	7,095,000	5.000	3.350	914225HP5
2026	7,475,000	5.000	3.430	914225HQ3
2027	7,850,000	5.000	3.450	914225HR1
2028	8,245,000	5.000	3.520	914225HS9
2029	8,675,000	5.000	3.560	914225HT7

No dealer, broker, salesperson or other person has been authorized to give any information or to make any representations other than as contained in this Official Statement and, if given or made, such other information or representations must not be relied upon. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the 2022 Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale.

The information set forth herein has been obtained from the University of Connecticut and the State of Connecticut and other sources which are believed to be reliable but is not guaranteed as to its accuracy or completeness. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstance, create any implication that there has been no change in the affairs of said University or the State since the date hereof.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITERS MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE 2022 BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE SECURITY FOR THE 2022 BONDS AND TERMS OF THIS OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THESE SECURITIES HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSIONERS OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

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CONTENTS OF OFFICIAL STATEMENT

This Official Statement of the University of Connecticut, including the cover and inside cover, the Appendices and Schedules thereto, is provided for the purpose of presenting certain information relating to the University in connection with the sale of $52,515,000 principal amount of its 2022 Bonds.

This Official Statement, including the cover and inside cover page and the Appendices thereto, contains information relating to the 2022 Bonds. Appendix A of this Official Statement contains certain information concerning the University as of its date, except as otherwise provided therein. This Official Statement, including the cover page, inside cover page and the Appendices and Schedules thereto should be read collectively and in their entirety.

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OFFICIAL STATEMENT
relating to

$52,515,000
UNIVERSITY OF CONNECTICUT
SPECIAL OBLIGATION STUDENT FEE REVENUE BONDS
2022 REFUNDING SERIES A

INTRODUCTORY STATEMENT

This Official Statement, including the cover page, inside cover page, and the appendices attached thereto, is provided for the purpose of presenting certain information in connection with the offering and sale of $52,515,000 Special Obligation Student Fee Revenue Bonds, 2022 Refunding Series A (the "2022 Bonds") of the University of Connecticut (the "University"). The 2022 Bonds are authorized pursuant to The University of Connecticut 2000 Act, Sections 10a-109a to 10a-109y, inclusive, of the General Statutes of Connecticut, Revision of 1958, as amended ("the Act" or the "UConn 2000 Act"), and are further authorized and issued under the provisions of a Special Obligation Indenture of Trust, dated as of January 1, 1997, as amended and supplemented by certain supplemental indentures (the "Special Obligation Indenture"), including the Third Supplemental Indenture, dated as of February 1, 2002 (the "Third Supplemental Indenture"), each by and between the University and U.S. Bank Trust Company, National Association of Hartford, Connecticut, as successor trustee thereunder (the "Trustee"). The Special Obligation Indenture and supplements thereto, including the Third Supplemental Indenture, are collectively referred to herein as the "Indentures."

The University

The University was established and exists as an institution for the education of residents of the State of Connecticut (the "State"). The University, originally established in 1881, is one of the nation's nine colonial land grant colleges. In April 1881, the Connecticut General Assembly established the Storrs Agricultural School after accepting a gift of 170 acres of land, several buildings, and money from Charles and Augustus Storrs. In 1939, the General Assembly designated it the University of Connecticut, reflecting its graduate and professional education, research, and public service programs. In 1965, the University became the flagship institution of higher education in the State under the new Constitution of the State of Connecticut which, in Article VIII, Section 2, provides that the State shall maintain a system of higher education including the University of Connecticut, dedicated to excellence in higher education.

The State's support for the University reflects the status of the University as the flagship institution of the State system of higher education. The University and UConn Health (defined below) receive separate State appropriations. See Appendix A attached hereto for additional information concerning the University.

UConn 2000 Program

The University is defined by the Act as a constituent unit of the state system of public higher education, which includes the University of Connecticut Health Center ("UConn Health"). The Act establishes the University as a body politic and corporate and instrumentality and agency of the State and enables the University to borrow money in its own name on behalf of the State for the purpose of providing sufficient funds for a special capital improvement program for the University (the "UConn 2000 Infrastructure Improvement Program" or "UConn 2000"). See "UCONN 2000 INFRASTRUCTURE IMPROVEMENT PROGRAM" below.

The UConn 2000 Infrastructure Improvement Program established by the Act is designed to modernize, rehabilitate and expand the physical plant of the University. The Act now provides for a thirty-two year capital budget program in three phases, at a total estimated cost of $4,644,300,000. The Act was originally adopted in 1995 to authorize and finance the UConn 2000 Phase I Projects and the UConn 2000 Phase II Projects over ten years at University campuses not including UConn Health, and was amended in 2002 (the "21st Century UConn Act") to add the authorization and financing of UConn 2000 Phase III Projects over an additional ten years, which included projects at UConn Health. Since 2002, the Act has been further amended several times to, among other things, increase the costs of certain authorized projects, add additional authorized projects, extend by years the term of the UConn 2000 Infrastructure Improvement Program and increase authorized funding amounts for bonds to be secured by the State debt service commitment (the "State Debt Service Commitment"), all as more particularly described herein under "UCONN 2000 INFRASTRUCTURE IMPROVEMENT PROGRAM."

The Act provides for a plan of financing UConn 2000 projects with $4,307,900,000 of general obligation bonds of the University secured by the State Debt Service Commitment. See "NATURE OF OBLIGATION AND SOURCES OF REPAYMENT" below. The balance of the estimated cost of UConn 2000 projects which is not authorized to be financed by the University's general obligation bonds secured by the State Debt Service Commitment may be paid with the proceeds of special obligation bonds ("Special Obligation Bonds") of the University, general obligation bonds of the State ("State General Obligation Bonds") or with gifts or other revenue or borrowing resources of the University. See "UCONN 2000 INFRASTRUCTURE IMPROVEMENT PROGRAM" below. As of the date of delivery of the 2022 Bonds, the University will have outstanding $1,659,600,000 of its General Obligation Bonds secured by the State Debt Service Commitment, $183,605,000 of its Special Obligation Bonds (including the 2022 Bonds) and $16,916,104 of its Governmental Lease Purchase Agreement, the proceeds of which have funded or will fund UConn 2000 projects, as described in Appendix A – "UNIVERSITY FINANCES – State Support for the University – Bond Issuances."

2022 Bonds

The 2022 Bonds represent the eighth series of Special Obligation Bonds being issued pursuant to the Act and the Indentures (and the fourth series of refunding bonds). As of the date of delivery of the 2022 Bonds, the University will have outstanding $183,605,000 of its Special Obligation Bonds (including the 2022 Bonds), the proceeds of which have financed or refinanced UConn 2000 projects. See Appendix A – "UNIVERSITY FINANCES – University Indebtedness."

Nature of Obligation and Sources of Repayment

The 2022 Bonds are special obligations of the University, and together with bonds heretofore and hereafter issued under the Special Obligation Indenture, are secured by a parity pledge of and payable solely from the Trust Estate. The Trust Estate consists of Pledged Revenues, which are special revenues or other receipts, funds or moneys held in or set aside in the Trust Estate. All series of bonds issued under the Special Obligation Indenture are herein after called the "Bonds" or "Special Obligation Bonds." See "NATURE OF OBLIGATION AND SOURCES OF REPAYMENT" below.

Additional Information

All references herein to the Act, the Indentures and the Bonds are qualified in their entirety by reference to the definitive documents. Capitalized terms not otherwise defined herein shall have the meanings ascribed to such terms in Appendix C – "DEFINITIONS OF CERTAIN TERMS OF THE SPECIAL OBLIGATION INDENTURES."

GLOBAL HEALTH EMERGENCY RISK

Consideration for Bondholders

In making an investment decision with respect to the 2022 Bonds, investors should consider carefully the information in this Official Statement, including the following.

The COVID-19 Outbreak

On March 11, 2020, the World Health Organization proclaimed COVID-19 to be a public health emergency of international concern and on March 13, 2020, the President of the United States declared COVID-19 to be a national emergency. The ongoing impact of COVID-19 has materially affected state, national, and global economic activity; and increased public health emergency response costs. Many states and municipalities have taken measures to contain the spread of COVID-19 that are having negative effects on global and local economies. In addition, businesses and people have altered behaviors in manners that are negatively affecting the economy.

Over the past two years, the University has faced numerous challenges due to the COVID-19 pandemic. The University has implemented certain protocols and safety measures, and for Fall 2022 more than 91% of classes are scheduled to be held in-person and housing capacity is expected to return to pre-pandemic levels. The University may face budget uncertainty for Fiscal Year 2023 associated with potential surges in COVID. In particular, operating revenues for Storrs and the regional campuses will very much depend on the University's ability to remain open for in-person instruction on all campuses, maintain enrollment, and maintain occupancy in the housing and dining programs. As of the date of this Official Statement, the Fiscal Year 2023 budget forecasts for Storrs and the regional campuses includes $1,708.7 million in expenditures and $1,708.7 million of revenue. Operating revenues for UConn Health will depend on its remaining open for elective procedures and on patients continuing to seek out such services. As of the date of this Official Statement, the Fiscal Year 2023 budget forecasts for UConn Health includes $1,577.5 million in expenditures and $1,578.1 million of revenue, yielding a net loss of $0.6 million. There can be no assurances that COVID-19 will not materially adversely impact the financial condition of the University, including the University's credit ratings in the future. For further information concerning the University's finances and the University's response to COVID-19, see APPENDIX A ***"The University Efforts to Mitigate the Impact of COVID-19 on Students and Faculty"*** on page A-(4); ***"University Budget (Storrs and Regional Campuses)*** on page A-(16) and ***"Fiscal Year 2023 Budget and the Anticipated Financial and Operational Impact on UConn Health from COVID-19*** on page A-(35). See also **FORWARD-LOOKING INFORMATION AND BONDHOLDER CONSIDERATIONS** on page A-(i).

NATURE OF OBLIGATION AND SOURCES OF REPAYMENT

Nature of Obligation

Bonds issued under the Special Obligation Indenture, including the 2022 Bonds, are special obligations of the University, secured by a parity pledge of and payable solely from the Trust Estate. Subject only to the provisions of the Indentures permitting the application of certain moneys for the purposes and on the terms set forth in the Indentures, the 2022 Bonds are entitled to the lien created by the pledge under the Indentures on the Trust Estate, which consists of the following:

(a) all monies or securities in the Bond Proceeds Fund, the Debt Service Fund, and the Redemption Fund together with any and all receipts, funds or moneys, investments and other property of every kind and nature from time to time hereafter on deposit in or payable to such funds and accounts thereof except, with respect to the foregoing but subject to the Indenture, the Rebate Fund and moneys and securities in the Rebate Fund;

(b) all monies received as "Pledged Revenues," including special revenues, subject to the prior lien on and pledge thereof for (i) a certain loan from the United States of America acting by and through the Secretary of the Department of Education and (ii) the parity payment of certain general obligation bonds of the State categorized by the State as self-liquidating, each as noted in the Indenture, to be received by the University from fees and charges for certain auxiliary activities, including the Residential Life Room Fee, Student Apartment Rentals, the Greek Housing Fee, the Board (Dining) Fee, the Infrastructure Maintenance Fee, the Parking and Transportation Fee, the General University Fee, the Athletic Stadia FIT Fee and the Student Recreation Center Fee and such other legally available revenues, including but not limited to other fees and charges and Special Eligible Gifts, as the Board of Trustees of the University may determine to pledge under the Indenture and any interest earned or gains realized by the investment of moneys which are treated as Pledged Revenues and which constitute a part of the Trust Estate; and

(c) all rights of the University under any Bond Facility or Swap Facility, including the right to receive Swap Receipts and Termination Receipts.

General obligation bonds of the State categorized as self-liquidating and the Department of Education loan, which would have a prior lien on the Trust Estate, were retired during Fiscal Year 2017 and Fiscal Year 2008, respectively.

University Covenants

The covenants of the University with respect to the 2022 Bonds are set forth in the Special Obligation Indenture. The Act provides for, and the Special Obligation Indenture includes, remedies available to the Trustee for protection and enforcement of any and all rights granted under the Special Obligation Indenture and the Act, including by mandamus to enforce and compel performance of any duty required to be performed by the University under the Special Obligation Indenture and the Act. See Appendix B – "EXCERPTS FROM THE SPECIAL OBLIGATION INDENTURE OF TRUST."

Rate Covenants

Pursuant to the Special Obligation Indenture, the University has covenanted that it will establish, fix, and revise from time to time, prior to and during each Fiscal Year and collect in each Fiscal Year, fees representing Pledged Revenues so that the aggregate sum of each Net Revenue Amount plus each Gross Revenue Amount is equal to no less than the sum of: (1) an amount equal to 1.25 times the Debt Service Requirements in such Fiscal Year, and (2) together with any amounts on hand and available therefor, an amount equal to the amounts of the Debt Service Expense Requirement in such Fiscal Year not covered in (1) above.

For purposes of the foregoing covenant, "Net Revenue Amount" constitutes that amount of Pledged Revenues with respect to the (i) Residential Life Room Fee, (ii) Board (Dining) Fee, (iii) the Parking and Transportation Fee, (iv) the Student Apartment Rentals, and (v) the Husky Village (Greek Housing) Fee, after providing for or paying the reasonable or necessary cost of currently maintaining, repairing, insuring and operating the facilities for which such fees, respectively, are imposed and each of which individual amount as a result thereof may be a plus or minus. "Gross Revenue Amount" for purposes of the foregoing covenant constitutes that amount of Pledged Revenues with respect to the (i) Infrastructure Maintenance Fee, (ii) the General University Fee, (iii) the Student Recreational Center Fee, and (iv) the Athletic Stadia FIT Fee prior to any payments, deductions, offsets or provisions, respectively, and (v) any interest earned or gains realized by the investment of monies which are Pledged Revenues and which constitute a part of the Trust Estate.

Statutory Lien

Pursuant to the Act, upon their issuance, securities of the University shall be conclusively presumed to be fully and duly authorized and issued under the laws of the State, and any person shall be estopped from questioning their authorization, sale, issuance, execution or delivery. Any pledge made by the University shall be deemed a statutory lien which shall be valid and binding from the time when the pledge is made against all parties having claims against the University. Neither the Act, the Indentures or resolution, nor any other instrument by which a pledge is created need be recorded. Any revenues or other receipts, funds, moneys so pledged and thereafter received by the University shall be subject immediately to the lien of the pledge without any physical delivery thereof or further act and such lien shall have priority over all other liens. See Appendix B – "EXCERPTS FROM THE SPECIAL OBLIGATION INDENTURE OF TRUST."

State Covenant

Pursuant to the Act, the University is authorized and has included the following State covenant in the Special Obligation Indenture as a contract of the State. The State covenants with holders of any securities issued under the Act, in consideration of the acceptance of and payment for the securities until the securities, together with the interest thereon, with interest on any unpaid installment of interest and all costs and expenses in connection with any action or proceeding on behalf of the owners, are fully met and discharged or unless expressly permitted or otherwise authorized by the terms of each contract and agreement made or entered into by or on behalf of the University with or for the benefit of such owners, that the State: (1) will not create or cause to be created any lien or charge on the assets or revenues pledged to secure such securities, other than a lien or pledge created thereon pursuant to the Act; (2) will not in any way impair the rights, exemptions or remedies of the owners; and (3) will not limit, modify, rescind, repeal or otherwise alter the rights or obligations of the University to take such action as may be necessary to fulfill the terms of the resolution authorizing the issuance of the securities; provided nothing in the Act shall preclude the State from exercising its power, through a change in law, to limit, modify, rescind, repeal or otherwise alter the Act if and when adequate provision shall be made by law for the protection of the holders of outstanding securities, pursuant to the resolution or indenture under which the securities are issued.

The Board of Trustees approved the Special Obligation Indenture on November 8, 1996. As required by the Act, the Board of Trustees' resolution approving each Supplemental Indenture for the issuance of Bonds must be submitted to the Governor. The Governor may, not later than thirty days after such submission, disapprove the same by notifying the Board of Trustees and the reasons for it. If the Governor does not act within thirty days, the resolution is deemed approved. The resolution approving the Third Supplemental Indenture (which authorizes the issuance of refunding bonds under the Special Obligation Indenture in one or more series, at any time) was approved by the Board of Trustees on September 26, 2001, was submitted to the Governor on October 4, 2001 and was approved by the Governor on October 19, 2001.

Pursuant to the Act and the Indentures, the Bonds, including the 2022 Bonds, shall not constitute a general obligation of the University or a debt or liability of the State, including within the meaning of Section 3-21 of the General Statutes of the State, or any political subdivision thereof or a pledge of the faith and credit of the University, the State or any political subdivision of the State but shall be payable solely from the resources of the University described in the Special Obligation Indenture as the Trust Estate. Bonds issued under the Special Obligation Indenture may be additionally secured by either the Special Capital Reserve Fund or the Debt Service Reserve Fund or may be secured solely by the Trust Estate. Neither the 2022 Bonds nor any Outstanding Special Obligation Bonds are secured by either the Special Capital Reserve Fund or a Debt Service Reserve Fund. The University has no taxing power.

Additional Bonds

Pursuant to the Special Obligation Indenture, Special Obligation Bonds of the University are authorized to be issued without limitation as to amount except as provided in the Special Obligation Indenture or as may be limited by law. The Special Obligation Indenture provides that no Additional Series of Bonds may be authorized and issued under the Special Obligation Indenture unless:

(1) in the event of Bonds secured by a Special Capital Reserve Fund, upon the issuance of such Series of Additional Bonds, the amount on deposit in the Special Capital Reserve Fund will be not less than the Special Capital Reserve Fund Maximum Requirement;

(2) a certificate of an Authorized Officer of the University shall have been delivered to the Trustee stating (a) that the particular Pledged Revenues estimated to be received as a result of the construction, completion and operation of the Project to be financed with the proceeds of the Additional Series of Bonds, and amounts in funds or accounts or payable thereto as a result of the issuance of such Additional Series of Bonds during the period such Additional Series of Bonds are Outstanding, including Swap Receipts, shall be sufficient to pay as the same become due the reasonable and necessary Project operating expenses of the University which are estimated will be incurred as a result of the issuance of such Additional Series of Bonds and the use of the proceeds thereof and the estimated Principal Installments of, Swap Payments, if any, and interest on such Additional Bonds; or (b) the Pledged Revenues estimated to be received, and amounts in funds or accounts or payable thereto including Swap Receipts; (i) shall be sufficient to pay all estimated Principal Installments of, Swap Payments, if any, and the Interest Requirement on Bonds Outstanding and such Additional Series of Bonds; or (ii) together with other moneys received or estimated to be received by the University from, and available or to be made available to the University for the Project to be financed with the proceeds of the Additional Series of Bonds by the State, the United States or some other source [shall be sufficient to pay] all Principal Installments of, Swap Payments, if any, and the Interest Requirement on Bonds Outstanding and such Additional Series of Bonds; provided, that if a certificate is filed with the Trustee in accordance with this subparagraph (ii), it shall be accompanied by a certificate to evidence that such other moneys are or will be made available to the University for the Project; and

(3) a certificate of an Authorized Officer of the University shall have been delivered to the Trustee stating that the sum of Net Revenue Amount and Gross Revenue Amount based on the most recent Audited Financial Statements preceding the date of issuance of such Additional Bonds have been, with respect to the then and any future Fiscal Year, equal to an amount at least 1.25 times the maximum Debt Service Requirement on all Outstanding Bonds plus the expected maximum Debt Service Requirement on the Additional Bonds.

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DESCRIPTION OF THE 2022 BONDS

In General

The 2022 Bonds are issuable only as fully registered bonds, in book-entry-only form (as described herein), in the denomination of $5,000, or any integral multiple thereof.

The 2022 Bonds

The 2022 Bonds will be dated the Date of Delivery, will mature on November 15 in each of the years and in the amounts as set forth on the inside cover page of this Official Statement and will bear interest payable semi-annually on May 15 and November 15 in each year, commencing May 15, 2023, at the rates per annum set forth on the inside cover page of this Official Statement. Interest will be calculated on the basis of a 360-day year of twelve 30 day months and will be paid to the person in whose name the Bond is registered as of the close of business on the last day of April and October in each year or the preceding business day if such last day is not a business day.

Principal of and interest on the 2022 Bonds will be paid directly to The Depository Trust Company ("DTC") by U.S. Bank Trust Company, National Association, as Paying Agent, so long as DTC or its nominee, Cede & Co., is the Bondowner. See "BOOK-ENTRY-ONLY SYSTEM" below.

The 2022 Bonds are **NOT** subject to optional redemption prior to maturity.

PLAN OF REFUNDING

The University expects to apply a portion of the proceeds from the sale of the 2022 Bonds to refund the University's Outstanding Special Obligation Student Fee Revenue Bonds, 2012 Refunding Series A, as more particularly described below (the "Refunded Bonds"), which Refunded Bonds will be redeemed within ninety (90) days of the date of delivery of the 2022 Bonds. Proceeds of the Refunded Bonds were used to refinance the costs of constructing, erecting, renovating, equipping and/or furnishing various UConn 2000 projects. The University and the Treasurer reserve the right to refund all, a portion or none of the Refunded Bonds. The redemption of the Refunded Bonds is contingent upon the issuance of the 2022 Bonds.

For additional information regarding the projects being refinanced with proceeds of the Refunded Bonds and other UConn 2000 Projects, see "GOVERNANCE, ACADEMIC PROGRAMS AND CAMPUSES – Status of UCONN 2000 Projects" and "UNIVERSITY FINANCES – University Indebtedness" in Appendix A hereto.

Refunded Bonds

Series	Maturity	Principal Amount Refunded	Coupon	Redemption Price
2012 Refunding Series A	11/15/2023	$ 6,700,000	5.00%	100%
2012 Refunding Series A	11/15/2024	7,050,000	5.00	100
2012 Refunding Series A	11/15/2025	7,405,000	5.00	100
2012 Refunding Series A	11/15/2026	7,800,000	5.00	100
2012 Refunding Series A	11/15/2027	155,000	4.00	100
2012 Refunding Series A	11/15/2027	8,035,000	5.00	100
2012 Refunding Series A	11/15/2028	8,605,000	5.00	100
2012 Refunding Series A	11/15/2029	435,000	3.00	100
2012 Refunding Series A	11/15/2029	8,610,000	5.00	100
		$54,795,000		

Upon the issuance and delivery of the 2022 Bonds, a portion of the proceeds of the 2022 Bonds will be deposited in the Redemption Fund and then transferred and placed in escrow with U.S. Bank Trust Company, National Association, as escrow agent (the "Escrow Agent"), under an Escrow Deposit Agreement to be dated as of the date of delivery of the 2022 Bonds, between the University and the Escrow Agent (the "Escrow Deposit Agreement"). Such proceeds will be deposited in an irrevocable trust fund established by the Escrow Agent pursuant to the Escrow Deposit Agreement in such amount as will be sufficient either (i) to pay the redemption price of and interest due on the Refunded Bonds on the redemption date (the "Redemption Requirement"), or (ii) to purchase non-callable direct obligations of the United States of America or non-callable obligations the principal of or interest on which is fully and unconditionally guaranteed by the United States of America, including State and Local Government Series Securities (the "Government Obligations"), the maturing principal and interest on which Government Obligations, when due, will be sufficient, together with any uninvested cash, to pay the Redemption Requirement. See VERIFICATION OF MATHEMATICAL COMPUTATIONS." Such proceeds and any Government Obligations and investment income thereon held in the Escrow Deposit Fund and needed to pay the Redemption Requirement will be irrevocably deposited by the University with the Escrow Agent for the payment of the Redemption Requirement.

The balance of the proceeds of the 2022 Bonds will be used to pay the Underwriters' discount and other costs of issuance.

SOURCES AND USES OF PROCEEDS OF THE 2022 BONDS

The University expects to apply the proceeds from the sale of the 2022 Bonds as follows:

Sources of Funds	
Principal Amount of 2022 Bonds	$52,515,000.00
Original Issue Premium	3,073,700.20
Total Sources	$55,588,700.20
Uses of Funds	
Deposit to Refunding Escrow	$54,893,565.28
Costs of Issuance	453,639.92
Underwriters' Discount	241,495.00
Total Uses	$55,588,700.20

Amounts in the Costs of Issuance Account under the Special Obligation Indenture shall be invested by the Trustee at the direction of an Authorized Officer of the University in such Investment Obligations permitted by the Special Obligation Indenture and paragraph (f) of Section 3-20 of the Connecticut General Statutes, as amended.

DEBT SERVICE AND DEBT SERVICE COVERAGE

Debt Service

The following schedule sets forth the debt service payments to be made in each University fiscal year on the Special Obligation Bonds issued and outstanding as of the date of delivery of the 2022 Bonds (including the 2022 Bonds but excluding the Refunded Bonds).

Debt Service on Special Obligation Student Fee Revenue Bonds

FYE June 30	AMOUNT OUTSTANDING Principal	Interest	Debt Service	2022 REFUNDING SERIES A Principal	Interest	Debt Service	TOTAL SPECIAL OBLIGATIONS Principal	Interest	Debt Service
2023		$ 3,216,163	$ 3,216,163		$ 1,312,875	$ 1,312,875		$ 4,529,038	$ 4,529,038
2024	$ 2,785,000	6,362,700	9,147,700	$ 6,420,000	2,465,250	8,885,250	$ 9,205,000	8,827,950	18,032,950
2025	2,910,000	6,234,875	9,144,875	6,755,000	2,135,875	8,890,875	9,665,000	8,370,750	18,035,750
2026	3,045,000	6,100,550	9,145,550	7,095,000	1,789,625	8,884,625	10,140,000	7,890,175	18,030,175
2027	3,200,000	5,944,425	9,144,425	7,475,000	1,425,375	8,900,375	10,675,000	7,369,800	18,044,800
2028	3,365,000	5,780,300	9,145,300	7,850,000	1,042,250	8,892,250	11,215,000	6,822,550	18,037,550
2029	3,535,000	5,607,800	9,142,800	8,245,000	639,875	8,884,875	11,780,000	6,247,675	18,027,675
2030	3,720,000	5,426,425	9,146,425	8,675,000	216,875	8,891,875	12,395,000	5,643,300	18,038,300
2031	3,910,000	5,235,675	9,145,675				3,910,000	5,235,675	9,145,675
2032	4,110,000	5,035,175	9,145,175				4,110,000	5,035,175	9,145,175
2033	4,290,000	4,860,031	9,150,031				4,290,000	4,860,031	9,150,031
2034	4,475,000	4,675,763	9,150,763				4,475,000	4,675,763	9,150,763
2035	4,705,000	4,440,381	9,145,381				4,705,000	4,440,381	9,145,381
2036	4,955,000	4,193,000	9,148,000				4,955,000	4,193,000	9,148,000
2037	5,185,000	3,962,875	9,147,875				5,185,000	3,962,875	9,147,875
2038	5,425,000	3,721,000	9,146,000				5,425,000	3,721,000	9,146,000
2039	5,670,000	3,479,063	9,149,063				5,670,000	3,479,063	9,149,063
2040	5,925,000	3,224,625	9,149,625				5,925,000	3,224,625	9,149,625
2041	6,225,000	2,920,875	9,145,875				6,225,000	2,920,875	9,145,875
2042	6,545,000	2,601,625	9,146,625				6,545,000	2,601,625	9,146,625
2043	6,880,000	2,266,000	9,146,000				6,880,000	2,266,000	9,146,000
2044	7,230,000	1,913,250	9,143,250				7,230,000	1,913,250	9,143,250
2045	7,610,000	1,532,738	9,142,738				7,610,000	1,532,738	9,142,738
2046	8,020,000	1,122,450	9,142,450				8,020,000	1,122,450	9,142,450
2047	8,460,000	689,850	9,149,850				8,460,000	689,850	9,149,850
2048	8,910,000	233,888	9,143,888				8,910,000	233,888	9,143,888
Total[1]	**$131,090,000**	**$100,781,500**	**$231,871,500**	**$52,515,000**	**$11,028,000**	**$63,543,000**	**$183,605,000**	**$111,809,500**	**$295,414,500**

1 Totals may not sum due to rounding.

Debt service on the 2022 Bonds is payable from Pledged Revenues of the University derived from fees and charges for certain auxiliary activities, including the Residential Life Room Fee, Student Apartment Rentals, the Husky Village (Greek Housing) Fee, the Board (Dining) Fee, the Infrastructure Maintenance Fee, the Parking and Transportation Fee, the General University Fee, the Athletic Stadia FIT Fee and the Student Recreation Center Fee and such other legally available revenues, including but not limited to other fees and charges and Special Eligible Gifts, as the Board of Trustees of the University may determine to pledge under the Indenture and any interest earned or gains realized by the investment of moneys held by the Trustee.

Debt Service Coverage

The following table sets forth the historical and projected coverage levels for Pledged Revenues and the debt service coverage calculation for the Bonds with respect thereto. The University's projections are based on various assumptions and contingencies which are uncertain and which may not materialize. Please see the accompanying list of footnotes and assumptions which are an integral part of this coverage table.

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

	Actual					Projected				
	2018	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025[E]**	**2026**	**2027**
					(unaudited)					
Pledged Revenues (Gross)(A)(D)										
Infrastructure Maintenance Fee	$ 12,081	$ 12,110	$ 12,041	$ 11,850	$ 11,887	$ 4,203	$ 14,203	$ 14,203	$ 14,203	$ 14,203
General University Fee	38,795	38,260	39,236	29,230	39,912	42,611	42,611	42,611	42,611	42,611
Investment Income	756	2,493	673	16	2	19	19	19	19	19
New Athletic Stadia - FIT (Facility Investment Together)	796	809	729	0	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
Gross Revenue Available	**52,429**	**53,672**	**63,018**	**48,831**	**62,620**	**67,652**	**67,652**	**67,652**	**67,652**	**67,652**
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	10,564	10,564	10,564	10,564
Total Pledged Revenues (Subject to Expenses Below)	**173,951**	**178,576**	**143,974**	**65,042**	**152,930**	**176,375**	**180,935**	**185,620**	**190,434**	**195,381**
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**	**44,913**	**46,235**	**47,600**	**49,009**
Total Gross and Net Revenue Available for Debt Service	**94,637**	**100,359**	**93,725**	**33,001**	**119,128**	**111,283**	**112,565**	**113,888**	**115,253**	**116,661**
Debt Service[B]										
Debt Service on 2022 Refunding Series A Revenue Bonds	0	0	0	0	0	(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)	0	0	0	0
Debt Service on 2010 Refunding Series A Revenue Bonds	(4,925)	(4,781)	(21,777)	0	0	0	0	0	0	0
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**	**6.24**	**6.31**	**6.39**	**6.47**

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 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, the Infrastructure Maintenance Fee rate increased by $90 over FY22 to $558 for full-time Undergraduate and Graduate/Professional students (Excluding Graduate Assistants). The projections for FY24-FY27 are based on no rate increases.

General University Fee - 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 General University Fee 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 projections for FY24-FY27 are based on no rate increases.

Investment Income - Bond proceeds are invested in the State Treasurer's Short-Term Investment Fund ("STIF"), which has daily liquidity and rates. Interest rates have moved up 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.

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 assume 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. FY23 rates reflect a 2.75% increase over FY22. The projections for FY23-FY27 assume 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 FY24-27 assume 2.75% rate 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 parking revenues reflect a $410 increase in the Transit Fee. The projections for FY24-FY27 are based on no rate increases.

New Student Recreation Center Fee - Beginning FY20, mandatory student fee for Storrs-based students; in FY22, the Undergraduate rate is $500/year, and the Graduate rate is $400/year. The projections for FY24-FY27 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 capacity. 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 December 13, 2012, the Special Obligation 2012 Refunding Series A Revenue Bonds refunded all the outstanding $75,430,000 of Special Obligation 2002 Series A Revenue Bonds and $96,130,000 of 2002 Series A Refunding Revenue Bonds. 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) Additionally, not reflected in 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 Student Fee Revenue Bonds and other uses including but not limited to the Renewal and Replacement Fund held by the Trustee. As of June 30, 2022, the Renewal and Replacement Fund had a balance of $14.0 million which was invested in the STIF.

(E) 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 delivery of the 2022 Bonds (including the 2022 Bonds).

BOOK-ENTRY-ONLY SYSTEM

Unless otherwise noted, the description which follows of the procedures and record-keeping with respect to beneficial ownership interests in the 2022 Bonds, payment of interest and other payments on the 2022 Bonds to DTC Participants (as hereinafter defined) or Beneficial Owners (as hereinafter defined) of the 2022 Bonds, confirmation and transfer of beneficial ownership interests in the 2022 Bonds and other bond-related transactions by and between DTC (as hereinafter defined), the DTC Participants and Beneficial Owners of the 2022 Bonds is based solely on information provided on the DTC's website and presumed to be reliable. Accordingly, the University does not and cannot make any representation concerning these matters.

NEITHER THE UNIVERSITY NOR THE TRUSTEE WILL HAVE ANY RESPONSIBILITY OR OBLIGATIONS TO SUCH DTC PARTICIPANTS, INDIRECT PARTICIPANTS, OR THE PERSONS FOR WHOM THEY ACT AS NOMINEES WITH RESPECT TO THE PAYMENTS TO OR THE PROVIDING OF NOTICE FOR SUCH DTC PARTICIPANTS, INDIRECT PARTICIPANTS, OR THE BENEFICIAL OWNERS. PAYMENTS MADE TO DTC OR ITS NOMINEE SHALL SATISFY THE UNIVERSITY'S OBLIGATION UNDER THE ACT AND THE RESOLUTION TO THE EXTENT OF SUCH PAYMENTS.

The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the 2022 Bonds. The 2022 Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered 2022 Bond certificate will be issued for each maturity of the 2022 Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants (*"Direct Participants"*) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly owned subsidiary of The Depository Trust & Clearing Corporation (*"DTCC"*). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (*"Indirect Participants"*). The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of the 2022 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the 2022 Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond (*"Beneficial Owner"*) is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the 2022 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the 2022 Bonds, except in the event that use of the book-entry system for the 2022 Bonds is discontinued.

To facilitate subsequent transfers, all 2022 Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of 2022 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the 2022 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such 2022 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of 2022 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the 2022 Bonds, such as redemptions, defaults and proposed amendments to bond documents. For example, Beneficial Owners of 2022 Bonds may wish to ascertain that the nominee holding the 2022 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Trustee and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the 2022 Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the 2022 Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Trustee as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts 2022 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Payments of principal, interest and redemption prices on the 2022 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Trustee on a payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee or the Authority, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, interest and redemption prices to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the 2022 Bonds at any time by giving reasonable notice to the University. Under such circumstances, in the event that a successor depository is not obtained, 2022 Bond certificates are required to be printed and delivered.

The University may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, 2022 Bond certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the University believes to be reliable, but the University takes no responsibility for the accuracy thereof as to the absence of material adverse changes in such information subsequent to the date hereof.

DTC Practices

The University can make no assurances that DTC, DTC Participants, Indirect Participants or other nominees of the Beneficial Owners of the Bonds will act in a manner described in this Official Statement. DTC is required to act according to rules and procedures established by DTC and its Participants which are on file with the Securities and Exchange Commission.

The University and the Trustee may treat DTC (or its nominee) as the sole and exclusive registered owner of the 2022 Bonds registered in its name for the purposes of payment of the principal and redemption premium, if any, of, or interest on, the 2022 Bonds, giving any notice permitted or required to be given to registered owners under the Resolution, registering the transfer of the 2022 Bonds, or other action to be taken by registered owners and for all other purposes whatsoever. The University shall not have any responsibility or obligation to any Participant, any person claiming a beneficial ownership interest in the 2022 Bonds under or through DTC or any Participant, or any other person which is not shown on the registration books of the University (kept by the Trustee) as being a registered owner, with respect to the accuracy of any records maintained by DTC or any Participant; the payment by DTC or any Participant of any amount in respect of the principal, redemption premium, if any, or interest on the 2022 Bonds; any notice which is permitted or required to be given to registered owners thereunder or under the conditions to transfers or exchanges adopted by the University; or other action taken by DTC as registered owner. Interest, redemption premium, if any, and principal will be paid by the Trustee to DTC, or its nominee. Disbursement of such payments to the Participants is the responsibility of DTC and disbursement of such payments to the Beneficial Owners is the responsibility of the Participants or the Indirect Participants.

For every transfer and exchange of beneficial ownership of any of the 2022 Bonds, a Beneficial Owner may be charged a sum sufficient to cover any tax, fee or other governmental charge that may be imposed in relation thereto.

So long as Cede & Co. is the registered owner of the 2022 Bonds, as nominee for DTC, references herein to the Bondholders or registered owners of the 2022 Bonds (other than under the captions "Tax Exemption" and "Continuing Disclosure" herein) shall mean Cede & Co., as aforesaid, and shall not mean the Beneficial Owners of the 2022 Bonds.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources the University believes to be reliable, but the University takes no responsibility for the accuracy thereof.

Effect of Discontinuance of Book-Entry System. The following procedures shall apply if the book-entry system is discontinued with respect to the 2022 Bonds.

Principal and Interest Payments. Principal of the 2022 Bonds will be payable at the corporate trust office of the Trustee in Hartford, Connecticut, and interest on the 2022 Bonds will be payable to the registered owner thereof on each interest payment date by check mailed to such registered owner at the address shown on the bond register maintained by the Trustee, or on the special record date established for the payment of defaulted interest. However, registered owners of $1,000,000 or more in aggregate principal amount of 2022 Bonds may be paid interest by wire transfer upon written request filed with the Trustee on or before the Record Date for the applicable interest payment date.

Registration and Transfer. The Trustee will keep or cause to be kept, at its corporate office in Hartford, Connecticut, sufficient books for the registration and transfer of the 2022 Bonds, and, upon presentation of 2022 Bonds for each purpose, the Trustee shall, under such reasonable regulations as it may prescribe, register or transfer, or cause to be registered or transferred, on such books such 2022 Bonds. Any 2022 Bond may, in accordance with its terms, be transferred upon such books by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such registered 2022 Bond for cancellation, accompanied by delivery of a written instrument of transfer executed in a form approved by the Trustee. Whenever any 2022 Bond shall be surrendered for transfer, the University shall execute and the Trustee shall authenticate and deliver a new 2022 Bond and maturity and for a like aggregate principal amount. The Trustee is not required to transfer or exchange any 2022 Bond during the period 15 days before the mailing of a notice of redemption. The Trustee shall require the Bondholder requesting such transfer or exchange to pay any tax or other governmental charge required to be paid with respect to such transfer or exchange and may require the payment of any reasonable sum to cover expenses incurred by the Trustee or University in connection with such exchange.

UCONN 2000 INFRASTRUCTURE IMPROVEMENT PROGRAM

Introduction

The UConn 2000 Infrastructure Improvement Program established by the Act is designed to modernize, rehabilitate and expand the physical plant of the University. The Act now provides for a thirty-two year capital budget program in three phases, at a total estimated cost of $4,644,300,000. The Act was originally adopted in 1995 to authorize and finance the UConn 2000 Phase I Projects and the UConn 2000 Phase II Projects over ten years at University campuses not including UConn Health, and was amended in 2002 (the "21st Century UConn Act") to add the authorization and financing of UConn 2000 Phase III Projects over an additional ten years, which included projects at UConn Health. In 2010, the General Assembly enacted and the Governor signed P.A. 10-104, which increased the estimated 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 P.A. 11-75 which increased the estimated cost of two UConn Health projects. In 2013, the General Assembly enacted and the Governor signed P.A. 13-233, Next Generation Connecticut, which authorized additional projects, increased the estimated 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 P.A. 17-2 which further extended UConn 2000 for an additional three fiscal years to 2027 but did not increase the total amount which may be authorized by the Board of Trustees for the UConn 2000 projects. In 2020, the General Assembly enacted and the Governor signed P.A. 20-1 which reallocated the fiscal year amounts of bonds secured by the State Debt Service Commitment that UConn could issue in years 2020-2027 inclusive, but did not change the aggregate amount of bonds secured by the State Debt Service Commitment that could be issued. In 2021, the General Assembly enacted and the Governor signed P.A. 21-111 (Regular Session) and P.A. 21-2 (June Special Session) that together increased both the estimated costs of certain projects and increased the amount of bonds secured by the State Debt Service Commitment that may be issued.

The UConn 2000 program is to be funded in part by the issuance of $4,307,900,000 of general obligation bonds of the University secured by the State Debt Service Commitment. Of this amount, $3,804,000,000, which represents the aggregate principal amount of the University's general obligation bonds secured by the State Debt Service Commitment issued to date, plus a portion of the original issue premium less the costs of issuance of such bonds, has been applied to the funding of UConn 2000 projects. The balance of the estimated cost of UConn 2000 projects which is not authorized to be financed by the University's general obligation bonds secured by the State Debt Service Commitment may be funded by the issuance of the University's Special Obligation Bonds, other University debt obligations, State General Obligation Bonds or by gifts or other revenue or borrowing resources of the University.

As of the date hereof, the University has issued the following General Obligation Bonds, Special Obligation Bonds, Governmental Lease Purchase Agreements and a Promissory Note pursuant to the UConn 2000 Act (including the 2022 Bonds). For details of outstanding UConn 2000 debt, see APPENDIX A – "UNIVERSITY FINANCES – University Indebtedness."

UCONN 2000 DEBT OBLIGATIONS – ISSUED AMOUNTS

A. UConn 2000 General Obligation Bonds – Issued Amounts

	Issue Date	Original Par Amount	(OID)/OIP[1]	Construction Account Deposit
1996 Series A Bonds	02/21/1996	$ 83,929,715	$ (274,931)	$ 82,606,220
1997 Series A Bonds	04/24/1997	124,392,432	(2,319,590)	121,080,861
1998 Series A Bonds	06/24/1998	99,520,000	634,629	99,280,000
1999 Series A Bonds	04/08/1999	79,735,000	(45,210)	79,032,919
2000 Series A Bonds	03/29/2000	130,850,000	(120,981)	130,000,000
2001 Series A Bonds	04/11/2001	100,000,000	1,141,140	100,000,000
2002 Series A Bonds	04/18/2002	100,000,000	1,706,295	100,000,000
2003 Series A Bonds	03/26/2003	96,210,000	4,623,183	100,000,000
2004 Series A Bonds	01/22/2004	97,845,000	2,816,971	100,000,000
2005 Series A Bonds	03/16/2005	98,110,000	3,004,101	100,000,000
2006 Series A Bonds	03/15/2006	77,145,000	2,612,437	79,000,000
2007 Series A Bonds	04/12/2007	89,355,000	431,004	89,000,000
2009 Series A Bonds	04/16/2009	144,855,000	6,312,563	150,000,000
2010 Series A Bonds	05/25/2010	97,115,000	8,733,758	105,000,000
2011 Series A Bonds	12/08/2011	179,730,000	21,613,069	200,000,000
2013 Series A Bonds	07/31/2013	172,660,000	17,685,693	189,000,000
2014 Series A Bonds	04/22/2014	109,050,000	11,792,198	120,000,000
2015 Series A Bonds	04/16/2015	220,165,000	31,273,159	250,000,000
2016 Series A Bonds	40/21/2016	261,510,000	40,055,804	300,000,000
2017 Series A Bonds	01/19/2017	311,200,000	40,676,400	350,000,000
2018 Series A Bonds	05/03/2018	276,075,000	25,628,525	300,000,000
2019 Series A Bonds	05/08/2019	174,785,000	26,356,777	200,000,000
2020 Series A Bonds	12/17/2020	160,230,000	40,764,901	200,000,000
2022 Series A Bonds	04/13/2022	227,185,000	34,291,576	260,000,000
Total[2]		**$3,511,652,147**	**$319,393,469**	**$3,804,000,000**

	Issue Date	Original Par Amount	(OID)/OIP[1]	Deposit to Redemption Fund[3]
2004 Series A Refunding Bonds	01/29/2004	$216,950,000	$27,144,300	$247,794,279
2006 Series A Refunding Bonds	03/15/2006	61,020,000	5,103,655	65,472,900
2007 Series A Refunding Bonds	04/12/2007	46,030,000	3,897,620	49,505,477
2010 Series A Refunding Bonds	05/25/2010	36,095,000	2,903,755	38,704,429
2011 Series A Refunding Bonds	12/08/2011	31,905,000	5,183,727	36,841,566
2013 Series A Refunding Bonds	07/31/2013	51,250,000	7,374,396	58,228,911
2014 Series A Refunding Bonds	04/22/2014	92,940,000	7,044,682	99,513,683
2015 Series A Refunding Bonds	04/16/2015	34,625,000	5,860,522	40,279,496
2016 Series A Refunding Bonds	04/21/2016	80,425,000	10,437,499	90,481,693
2017 Series A Refunding Bonds	01/19/2017	33,950,000	3,165,137	36,960,192
2019 Series A Refunding Bonds	05/08/2019	64,680,000	8,496,052	72,813,086
2020 Series A Refunding Bonds	12/17/2020	119,085,000	22,936,137	141,383,770
Total[2]		**$868,955,000**	**$109,547,483**	**$977,979,482**

B. UConn 2000 Special Obligation Bonds – Issued Amounts

	Issue Date	Original Par Amount	(OID)/OIP[1]	Construction Account Deposit
1998 Series A Bonds	02/04/1998	$ 33,560,000	$ (888,481)	$ 30,000,000
2000 Series A Bonds	06/01/2000	89,570,000	(1,159,469)	87,000,000
2002 Series A Bonds	02/14/2002	75,430,000	287,983	72,180,000
2018 Series A Bonds	03/29/2018	141,725,000	16,710,803	152,000,000
Total[2]		**$340,285,000**	**$14,950,836**	**$341,180,000**

	Issue Date	Original Par Amount	(OID)/OIP[1]	Deposit to Redemption Fund[3]
2002 Series A Refunding Bonds	02/27/2002	$ 96,130,000	$ 1,747,947	$ 96,830,821
2010 Series A Refunding Bonds	06/16/2010	47,545,000	4,618,962	51,812,926
2012 Series A Refunding Bonds	12/13/2012	87,980,000	20,655,986	107,670,292
2022 Series A Refunding Bonds	11/15/2022	52,515,000	3,073,700	54,893,565
Total[2]		**$284,170,000**	**$30,096,595**	**$311,207,604**

C. Governmental Lease Purchase Agreement

	Issue Date	Original Par Amount	Project Costs
Governmental Lease Purchase Agreement	12/18/2003	$75,000,000	$75,000,000
Governmental Lease Purchase Agreement	08/15/2005	6,900,000	6,900,000
Total[2]		**$81,900,000**	**$81,900,000**

D. Note

	Issue Date	Original Par Amount	Project Costs
Amended and Restated Promissory Note	07/01/2015	$5,376,713	$5,376,713
Total		**$5,376,713**	**$5,376,713**

[1] Net OIP and Accrued Interest, if any, may be used to fund the Construction Account or Redemption Fund and to pay for Costs of Issuance.
[2] Totals may not sum due to rounding.
[3] Reflects Bond proceeds deposited to the Redemption Fund; total deposits to the Trustee to be held in an Escrow Deposit Fund may include other funds.

The Act

Powers. The Act enables the University to borrow money and enter into financing transactions in its own name and expands the authority of the University to supervise directly construction of its projects including all UConn 2000 projects. In order for the University to construct the UConn 2000 Projects and issue securities for UConn 2000, the Act, among other things, provides the University with the following powers: (a) to have perpetual succession as a body politic and corporate and an instrumentality and agency of the State; (b) to contract, to sue, to be indemnified, and to defend any action; (c) to indemnify parties and to be sued by the holders of its securities on an express contract; (d) to retain or employ architects, accountants, engineers, legal and securities counsel; (e) to plan, acquire, construct, renovate, equip, own, operate, maintain, dispose of and demolish any project; (f) to acquire, hold or dispose of any interest in real or personal property and to hold, sell, assign, lease, rent or encumber, other than by mortgage, any such interest; (g) to receive money from federal and state governments or others; and (h) to fix and collect fees, tuition, charges, rentals and other charges for enrollment and attendance at and use of the University.

The University may revise, delete and add projects to the list of UConn 2000 projects, provided a material addition or deletion must be approved by a legislative act of the General Assembly of Connecticut. No revision, addition or deletion can reduce the amount of the State Debt Service Commitment. The

University may determine the sequencing and timing of projects, revise estimates of cost and reallocate funds among projects, all in accordance with the Act.

The Act provides that the principal amount of the securities authorized to be issued for a project is deemed an appropriation and allocation of such amount for such project and approval by the Governor is deemed the allotment by the Governor of such capital outlays. Upon such approval, the University may award contracts, and issue and sell securities respecting expenditures under such contracts which will be paid within the year following issuance of such securities and to provide for costs of UConn 2000 of not more than twenty percent in excess of such expenditures. Certain Costs of Issuance may be added to the amount of securities so issued.

Minimum State Operating Provision. Pursuant to the Act, the State commits to appropriate, annually, an amount for operations of the University, after consideration of other amounts available to the University for its operations, which amount shall be consistent with the University (including the UConn 2000 projects) continuing to operate in furtherance of and pursuant to the provisions of the Constitution of the State and applicable law as an institution dedicated to excellence in higher education. However, nothing in the Act shall be construed to preclude the State from appropriating a lower or higher amount than the amount appropriated in the previous Fiscal Year so long as the State provides and determines that the University can continue to operate as an institution dedicated to excellence in higher education and such amount so appropriated shall then constitute the Minimum State Operating Provision.

Special Capital Reserve Fund. The Act permits the issuance of special obligation securities of the University which may be further secured with one or more State supported reserve funds to be known as Special Capital Reserve Funds or a debt service reserve fund. The 2022 Bonds is the eighth series of Special Obligation Bonds issued by the University but only one series, its Student Fee Revenue Bonds, 1998 Series A (the "1998 Bonds"), was secured by a Special Capital Reserve Fund. None of the 1998 Bonds remain outstanding as of the date of this Official Statement. See Appendix A – "UNIVERSITY FINANCES – University Indebtedness." A Special Capital Reserve Fund is not available to secure the 2022 Bonds or any other bonds of the University.

Special External Gift and Endowment Funds. The Act creates two funds designed to encourage private sector gifts to fund UConn 2000 projects and to increase endowment funds of the University.

The Special External Gift Fund was created to receive Special Eligible Gifts from the private sector, in furtherance of UConn 2000. Special Eligible Gifts and interest or other income earned on the Special External Gift Fund are to be used to pay costs of any UConn 2000 project.

The Endowment Fund is dedicated to endowed professorships, scholarships and programmatic enhancements. See Appendix A – "UNIVERSITY FINANCES – The University of Connecticut Foundation, Inc."

Construction of Projects. The UConn 2000 Infrastructure Improvement Program currently comprises numerous projects ranging in cost from under $1,000,000 to over $800,000,000.[1] UConn 2000 Phase I Projects and UConn 2000 Phase II Projects are located on several of the University's campuses (not including UConn Health), with the preponderance of projects located on the main campus at Storrs. UConn 2000 Phase III Projects include projects for the Storrs and regional campuses as well as several projects located at UConn Health. The University is authorized to assume the responsibility and supervision of any

[1] Refers to the project designated as Deferred Maintenance/Code Compliance/ADA Compliance/Infrastructure Improvements & Renovation Lump Sum and Utility, Administrative and Support Facilities authorized by the Act for all Phases in the amount of $839,332,000.

project including preparation of detailed plans and specifications for each project. Subject to applicable law, the University maintains construction standards for all projects, including provisions relating to materials and equipment, and health and safety. The Act provides an expedited permitting process for the issuance of any license, permit, approval and administrative action required in connection with any UConn 2000 project.

The Act provides that each contract let in accordance with the Act must provide that payment is limited to, and the State and the University shall have no liability beyond, the amount provided therein.

Comprehensive Plan. The Act provides that the University shall develop a comprehensive plan to guide Next Generation Connecticut investments. The comprehensive plan was adopted by the Board of Trustees on February 24, 2016.

UConn 2000 Reports to the General Assembly. The Act provides for semi-annual reporting on the status and progress of UConn 2000 to certain committees of the General Assembly. In accordance with the Act, the most recent semi-annual report was submitted in July 2022.

The Act also requires that progress reports regarding the University's achievement of goals set out in the Comprehensive Plan be submitted annually to the joint standing committees of the General Assembly having cognizance of matters relating to finance, revenue and bonding, commerce and higher education. The most recent report was submitted by the University in January 2022.

The Act further provides that not later than December 31, 2019, and 5 years thereafter, the University shall conduct an assessment of the University's progress in meeting the purposes set forth and incorporated in the Act for Next Generation Connecticut. The first assessment was submitted by the University on December 20, 2019.

LITIGATION

There is no litigation of any nature pending or threatened against the University restraining or enjoining the issue, sale, execution or delivery of the 2022 Bonds, or in any way contesting or affecting the validity of the 2022 Bonds or any proceedings of the University taken with respect to the issuance or sale thereof, the application of the proceeds of the 2022 Bonds or the existence or powers of the University.

In May 2020 a claim was filed with the State Office of the Claims Commissioner seeking to file a class action lawsuit against the University for its decision not to refund tuition and certain fees following the move to remote instruction in Spring 2020. In June 2022, the plaintiff filed an amended complaint. The Office of the Attorney General is handling this matter and expects to file a motion for summary judgment in October 2022. In the event the plaintiffs are successful on their claims, the judgment would likely be in excess of $5 million. As a State institution of higher education, the University is entitled to sovereign immunity, unless waived by the General Assembly or expressly by statute, such as claims founded on any express contract between the University and purchasers and subsequent owners and transferees of securities issued by the University or on any financing documents entered into pursuant to the Act. When sovereign immunity has not been waived either by the General Assembly or expressly by statute, the principle of sovereign immunity acts as a bar to any claim for money damages against the State or its employees. However, the General Assembly has authorized the State's Office of the Claims Commissioner to "authorize suit against the State on any claim which, in the opinion of the Claims Commissioner, presents an issue of law or fact under which the State, were it a private person, could be liable." The Claims Commissioner may dismiss a claim, award damages up to $20,000, recommend to the General Assembly payment of damages in excess of $20,000, or authorize a claimant to sue the State in superior court.

In addition, the University is defending various other legal matters in State and federal courts. The University's General Counsel and the Office of the Attorney General are of the opinion that none of these legal matters, either individually or in the aggregate, net of applicable reserves and insurance, are likely to have a material adverse impact on the University's financial position.

For further information concerning University litigation, see APPENDIX A ***"Insurance and Litigation"*** on page A-(27); ***"Professional Liability, Litigation, and Insurance"*** on page A-(37).

COVENANT OF THE STATE

Under the Act, the State has pledged and agreed with the holders of any bonds and notes issued under the Act, including the 2022 Bonds, that the State will not limit or alter the rights vested in the University until such obligations, together with the interest thereon, are fully met and discharged, provided that nothing shall preclude such limitation or alteration if and when adequate provision shall be made by law for the protection of the holders of such bonds and notes.

LEGALITY FOR INVESTMENT

The Act provides that the 2022 Bonds shall be legal investments in which all public officers and public bodies of the state, its political subdivisions, all municipalities and municipal subdivisions, all insurance companies and associations and other persons carrying on an insurance business, all banks, bankers, banking associations, trust companies, savings banks and savings associations, including savings and loan associations, building and loan associations, investment companies and other persons carrying on a banking business, all administrators, guardians, executors, board of trustees and other fiduciaries, and all other persons whatsoever who are now or may be authorized to invest in securities of the state, may properly and legally invest funds, including capital, in their control, or belonging to them. Those securities are also securities which may properly and legally be deposited with and received by all public officers and bodies of the State or any agency or political subdivision and all municipalities and public corporations for any purpose for which the deposit of securities of the State is now or may be authorized by law.

APPROVAL OF LEGAL PROCEEDINGS

Legal matters related to the authorization, issuance and sale of the 2022 Bonds are subject to the approval of Hawkins Delafield & Wood LLP, Hartford, Connecticut, Lead Bond Counsel to the University, and Pullman & Comley, LLC, Hartford, Connecticut, Co-Bond Counsel to the University (collectively referred to herein as "Bond Counsel"). Bond Counsel propose to deliver their approving opinions with respect to the 2022 Bonds substantially in the form set forth in APPENDIX D attached hereto. Certain legal matters will be passed upon for the Underwriters by their Co-Counsel Robinson & Cole LLP, Hartford, Connecticut, and Bryant Rabbino LLP, New York, New York ("Underwriters' Counsel"). Robinson & Cole LLP currently serves as tax counsel and bond counsel to the State in connection with State bond issues and various other matters.

TAX MATTERS

Opinion of Bond Counsel – Federal Tax Exemption

In the opinions of Bond Counsel to the University, under existing law or existing statutes and court decisions, as applicable, interest on the 2022 Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax under the Internal Revenue Code of 1986, as amended (the "Code"); however, such interest is included in the "adjusted financial statement income" of certain corporations that are subject to the alternative minimum tax imposed on such corporations for tax years beginning after December 31, 2022. In rendering such opinions, Bond Counsel will rely on certain representations, certifications of fact, and statements of reasonable expectations made by the University and others in connection with the 2022 Bonds, and Bond Counsel will assume continuing compliance by the University and the Treasurer with certain ongoing covenants relating to certain requirements of the Code to assure the exclusion of interest on the 2022 Bonds from gross income under the Code.

Certain Ongoing Federal Tax Requirements and Covenants

The Code establishes certain ongoing requirements that must be met subsequent to the issuance and delivery of the 2022 Bonds in order that interest on the 2022 Bonds be and remain excluded from gross income under Section 103 of the Code. These requirements include, but are not limited to, requirements relating to use and expenditure of gross proceeds of the 2022 Bonds, yield and other restrictions on investments of gross proceeds, and the arbitrage rebate requirement that certain excess earnings on gross proceeds be rebated to the federal government. Noncompliance with such requirements may cause interest on the 2022 Bonds to be included in gross income for federal income tax purposes retroactive to their issue date, irrespective of the date on which such noncompliance occurs or is discovered. In the Tax Regulatory Agreement, which will be delivered concurrently with the issuance of the 2022 Bonds, the University and the Treasurer will covenant to comply with such applicable requirements of the Code to assure the exclusion of interest on the 2022 Bonds from gross income under the Code.

Certain Collateral Federal Tax Consequences

The following is a brief discussion of certain collateral federal income tax matters with respect to the 2022 Bonds. It does not purport to deal with all aspects of federal taxation that may be relevant to a particular owner of a 2022 Bond. Prospective investors, particularly those who may be subject to special rules, are advised to consult their own tax advisors regarding the federal tax consequences of owning and disposing of the 2022 Bonds.

Prospective owners of the 2022 Bonds should be aware that the ownership of such obligations may result in collateral federal income tax consequences to various categories of persons, such as corporations (including S corporations and foreign corporations), financial institutions, property and casualty and life insurance companies, individual recipients of Social Security and railroad retirement benefits, individuals otherwise eligible for the earned income tax credit, and taxpayers deemed to have incurred or continued indebtedness to purchase or carry obligations the interest on which is not included in gross income for federal income tax purposes. Interest on the 2022 Bonds may be taken into account in determining the tax liability of foreign corporations subject to branch profits tax imposed by Section 884 of the Code.

Interest paid on tax-exempt obligations such as the 2022 Bonds is subject to information reporting to the Internal Revenue Service (the "IRS") in a manner similar to interest paid on taxable obligations. In addition, interest on the 2022 Bonds may be subject to backup withholding if such interest is paid to a registered owner that (a) fails to provide certain identifying information (such as the registered owner's taxpayer identification number) in the manner required by the IRS, or (b) has been identified by the IRS as being subject to backup withholding.

Original Issue Premium

The initial public offering prices of certain maturities of the 2022 Bonds may be more than their stated principal amounts ("Premium Bonds"). An initial purchaser who purchases a Premium Bond must amortize bond premium as provided in the applicable Treasury Regulations, and amortized premium reduces the purchaser's basis in the Premium Bond for federal income tax purposes.

Prospective purchasers of the Premium Bonds should consult with their own tax advisors with respect to the treatment of original issue premium for federal income tax purposes, including various special rules relating thereto, and the state and local tax consequences of acquiring, holding and disposing of a Premium Bond.

State Taxes

In the opinions of Bond Counsel, under existing statutes, interest on the 2022 Bonds is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates and is excluded from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay the federal alternative minimum tax.

Interest on the 2022 Bonds is includable in gross income for purposes of the Connecticut corporation business tax.

Accrued original issue discount on the 2022 Bonds is also excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates, and is excluded from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay the federal alternative minimum tax.

Owners of the 2022 Bonds should consult their own tax advisors with respect to the determination for state and local income tax purposes of original issue discount or original issue premium accrued upon sale or redemption thereof, and with respect to the state and local tax consequences of owning or disposing of such 2022 Bonds.

Owners of the 2022 Bonds should consult their tax advisors with respect to other applicable state and local tax consequences of ownership of the 2022 Bonds and the disposition thereof.

General and Post Issuance Events

Except as expressly set forth in "Opinion of Bond Counsel – Federal Tax Exemption" and "State Taxes" above, Bond Counsel expresses no opinion as to any other federal, state or local tax consequences arising with respect to the 2022 Bonds, or the ownership or disposition thereof.

Federal, state or local legislation, administrative pronouncements or court decisions may affect the tax-exempt status of interest on the 2022 Bonds, gain from the sale or other disposition of the 2022 Bonds, the market value of the 2022 Bonds, or the marketability of the 2022 Bonds, or otherwise prevent the owners of the 2022 Bonds from realizing the full current benefit of the exclusion from gross income of the interest thereon. From time to time, there are legislative proposals pending in the Congress of the United States that, if enacted, could alter or amend the exclusion from gross income of interest on the 2022 Bonds. Such proposals, whether or not enacted, also could adversely affect the market price for, or marketability of, the

2022 Bonds. Prospective purchasers of the 2022 Bonds should consult their own tax and financial advisors regarding such matters.

The opinion of each Bond Counsel is rendered based on existing law or existing statutes and court decisions, as applicable, as of its date, and Bond Counsel assumes no obligation to update, revise or supplement its opinion to reflect any action theretofore taken or not taken, facts or circumstances that may come to its attention or any changes in law or interpretations thereof that may occur after the date of its opinion. Bond Counsel's opinions are based on existing law, which is subject to change. Such opinions are further based on factual representations made to Bond Counsel as of the date of issuance. Moreover, Bond Counsel's opinions are not a guarantee of a particular result and are not binding on the IRS or the courts; rather, such opinions represent Bond Counsel's professional judgment based on its review of existing law, and in reliance on the representations and covenants that it deems relevant to such opinions. Bond Counsel expresses no opinion regarding any other federal or state tax consequences with respect to the 2022 Bonds. Bond Counsel expresses no opinion on the effect of any action taken in reliance upon an opinion of other counsel on the exclusion from gross income for federal or state income tax purposes of interest on the 2022 Bonds.

The discussion above does not purport to address all aspects of federal or state or local taxation that may be relevant to a particular owner of the 2022 Bonds. Prospective owners of the 2022 Bonds, particularly those who may be subject to special rules, are advised to consult their own tax advisors regarding the federal, state and local tax consequences of owning and disposing of the 2022 Bonds.

RATINGS

The 2022 Bonds have been rated "Aa3" by Moody's Investors Service ("Moody's"), 7 World Trade Center, New York, New York and "A+" by S&P's Global Ratings ("S&P"), 55 Water Street, New York, New York. The ratings assigned by Moody's and S&P express only the view of such rating agencies. The explanation and significance of the ratings can be obtained from Moody's and S&P, respectively. Such ratings are not intended as a recommendation to buy or own the 2022 Bonds. There is no assurance that any ratings will continue for any period of time or that they will not be revised or withdrawn. Any revision or withdrawal of any of such ratings on the 2022 Bonds may have an adverse effect on the market price thereof.

CONTINUING DISCLOSURE AGREEMENT

Section 3-20e of the General Statutes of Connecticut gives the University the specific authority to enter into continuing disclosure agreements in accordance with the requirements of Securities and Exchange Commission Rule 15c2-12 (the "Rule"). The University, as issuer of the 2022 Bonds under the Rule, will enter into an agreement with U.S. Bank Trust Company, National Association, as dissemination agent (the "Dissemination Agent"), substantially in the form of the Continuing Disclosure Agreement attached hereto as APPENDIX E (the "Continuing Disclosure Agreement"). Under the Continuing Disclosure Agreement, the University agrees to provide or cause to be provided, in accordance with the requirements of the Rule, (i) certain annual financial information and operating data, (ii) notice of the occurrence of certain events with respect to the 2022 Bonds within ten (10) business days of the occurrence thereof, and (iii) timely notice of a failure to provide the required annual financial information on or before the date specified in the Continuing Disclosure Agreement. The Underwriters' obligation to purchase the 2022 Bonds shall be conditioned upon their receiving, at or prior to the delivery of the 2022 Bonds, an executed copy of the Continuing Disclosure Agreement.

The intent of such undertaking is to provide on a continuing basis the financial information and operating data described in the Rule. Accordingly, there is reserved the right to modify the disclosure thereunder or format thereof so long as any such modification is made in a manner consistent with the Rule and as permitted by the Continuing Disclosure Agreement.

The purpose of such undertaking is to conform to the requirements of the Rule and not to create new contractual or other rights other than the remedy of specific performance in the event of any actual failure by the University to comply with its written undertaking. The Continuing Disclosure Agreement shall provide that any failure by the University to comply with any provisions of such undertaking shall not constitute an Event of Default with respect to the Bonds under the Special Obligation Indenture.

To its knowledge, in the last five years the University has not failed to comply in any material respect with its undertakings entered into in connection with any bonds issued by the University except that the University failed to file audited financial statements for the University and the Health Center when required on or before December 27, 2020 but instead filed the University financial statements on January 4, 2021 and the Health Center's audited financial statements on January 8, 2021, each modified on January 20, 2021. The University has determined that it inadvertently failed to make specific reference to official statements filed on EMMA in 2017 and 2018 which provided certain operating data, such as percentage of enrollment by residence status for some students and passing rates on certain national exams. After discovering such failure, the University promptly filed its Official Statement, dated March 15, 2018 on EMMA under the continuing disclosure tabs to correct such failures. In addition, the University has determined that it did not file an event notice for the incurrence of a financial obligation by UConn Health which was required to be filed by September 29, 2020 but instead the University filed such event notice on October 9, 2020. Finally, the University had been informed on February 24, 2022 that even though on April 1, 2021 it had instructed the Dissemination Agent to file an event notice regarding a rating upgrade by Moody's on all its General Obligation Bonds secured by the State Debt Service Commitment which had been released on March 31, 2021, such event notice was not filed with respect to certain of such bonds. The Dissemination Agent corrected its mistake by filing such rating report on such bonds on February 25, 2022. In making these disclosures the University has not concluded and does not admit that the omission to make specific reference to its official statements on file on EMMA or the filing of its audited financial statements for the University eight days late for the University and twelve days late for the Health Center or an event notice nine days late or the failure of the Dissemination Agent to file the event notice of a Moody's upgrade on certain of its General Obligation Bonds secured by the State Debt Service Commitment were material failures to comply with its continuing disclosure obligations. The University has modified its disclosure practices to prevent such failures in the future.

Certain prior annual reports of the University and other required reports are available from the Electronic Municipal Market Access ("EMMA") website of the Municipal Securities Rulemaking Board (the "MSRB"), or such other website as may be designated from time to time by the MSRB or the Securities and Exchange Commission. Filings through EMMA are linked to particular obligations by a 9-digit CUSIP number, based on base (6-digits) CUSIP numbers, which are subject to being changed after the issuance of obligations as a result of various actions. The University has entered into continuing disclosure agreements requiring filings to be made by the Dissemination Agent with respect to hundreds of CUSIP numbers. Most filings by the Dissemination Agent through EMMA, such as annual reports, are made using the base 6-digit CUSIP numbers. Although the Dissemination Agent endeavors through this process to link each report filed through EMMA to the correct CUSIP number (including those assigned without its knowledge), there can be no guarantee of complete accuracy in this process, given the large number of 9-digit CUSIP numbers assigned to the University's obligations. The University does not believe an inaccuracy resulting from such CUSIP process is a material failure to comply with its continuing disclosure obligations.

UNDERWRITING

The Underwriters have jointly and severally agreed, subject to certain conditions precedent, to purchase all, but not less than all, of the 2022 Bonds from the University at an aggregate purchase price of \$55,347,205.20 (representing the aggregate principal amount of the 2022 Bonds plus original issue premium of \$3,073,700.20 and less Underwriters' discount of \$241,495.00). The 2022 Bonds may be reoffered and sold to certain dealers (including unit investment trusts and other affiliated portfolios of certain underwriters and other dealers depositing the 2022 Bonds into investment trusts) at prices lower than those stated on the inside cover page of this Official Statement and such public offering prices may be changed, from time to time, by the Underwriters.

Certain of the Underwriters have entered into distribution agreements with other broker-dealers (that have not been designated by the State as Underwriters) for the distribution of the Bonds at the original issue prices. Such agreements generally provide that the relevant Underwriter will share a portion of its underwriting compensation or selling concession with such broker-dealers.

MUNICIPAL ADVISOR

PFM Financial Advisors LLC is serving as municipal advisor in connection with the issuance of the 2022 Bonds.

VERIFICATION OF MATHEMATICAL COMPUTATIONS

American Municipal Tax-Exempt Compliance Corp., dba AMTEC, of Avon, Connecticut, and Michael Torsiello, C.P.A. (an independent Certified Public Accountant), of Morrisville, North Carolina (together, the "Verification Agent") will deliver to the University, on or before the settlement date of the 2022 Bonds, its attestation report indicating that it has examined the information and assertions provided by the University and its representatives. Included in the scope of its examination will be a verification of the mathematical accuracy of (a) the mathematical computations of the adequacy of the cash and the maturing principal of and interest on the Government Obligations (if any) to pay, when due, the redemption price of and interest on the Refunded Bonds, and (b) the mathematical computations supporting the conclusion of Bond Counsel that the 2022 Bonds are not "arbitrage bonds" under the Code.

FINANCIAL STATEMENTS OF THE UNIVERSITY

Included in Appendix A is various financial information relating to the University. The audited financial statements of the University (excluding the University of Connecticut Foundation) and UConn Health contained in Schedule 1 and Schedule 2, respectively, are included herein in reliance upon the Certificates of Audit of the Auditors of Public Accounts of the State.

ADDITIONAL INFORMATION

Periodic public reports relating to the financial condition of the University and its various operations are prepared by officers of the University and provided to the Board of Trustees at its regular monthly meetings. In addition, the University regularly reports to the Governor, the Secretary of the Office of Policy and Management and various committees of the State legislature and regularly receives reports from consultants, commissions and special task forces relating to various aspects of the University's financial affairs.

The University will make available electronic copies of its official statements relating to the issuance of its securities under the Indentures from time to time upon request through the Office of the State Treasurer or the University's Interim Vice President for Finance and Chief Financial Officer.

Additional information concerning the University may be obtained upon request of the President, Radenka Maric, Attention: Lloyd Blanchard, PhD, Interim Vice President for Finance and Chief Financial Officer, 352 Mansfield Road, Storrs, Connecticut, 06269, (860) 486-3455.

Additional information concerning the State may be obtained upon request of the Office of the State Treasurer, Honorable Shawn T. Wooden, Treasurer, Attention: Sarah Sanders, Assistant Treasurer for Debt Management, 165 Capitol Avenue, Suite 2003, Hartford, Connecticut, 06106, (860) 702-3288.

Any statements in this Official Statement involving matters of opinion or estimates, whether or not expressly so stated, are intended as such and not as representation of fact. No representation is made that any of such statements will be realized. This Official Statement is not to be construed as a contract or agreement between the University and the State and the purchasers or holders of any of the 2022 Bonds.

This Official Statement is submitted only in connection with the issuance and sale of the 2022 Bonds by the University and may not be reproduced or used in whole or in part for any other purpose.

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Pursuant to the UConn 2000 Act, the 2022 Bonds described above have been sold by the Treasurer of the State of Connecticut in conjunction with the University.

TREASURER OF THE STATE OF CONNECTICUT	**UNIVERSITY OF CONNECTICUT**
By: /s/ Shawn T. Wooden______________	By: /s/ Lloyd Blanchard, PhD_________
Shawn T. Wooden	Lloyd Blanchard, PhD
State Treasurer	Interim Vice President for Finance and Chief Financial Officer

Dated October 27, 2022

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APPENDIX A

UNIVERSITY OF CONNECTICUT
INFORMATION CONCERNING THE UNIVERSITY

FORWARD LOOKING INFORMATION AND BONDHOLDER CONSIDERATIONS

This Appendix A contains "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Without limiting the foregoing, the words "may," "believe," "could," "might," "possible," "potential," "project," "will," "should," "expect," "intend," "plan," "predict," "anticipate," "estimate," "approximate," "contemplate," "continue," "target," "goal" and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain these words. All forward-looking statements included in this Appendix A are based on information available to the University up to the date as of which such statements are to be made, or otherwise up to, and including, the date of this document, and the University assumes no obligation to update any such forward-looking statements to reflect events or circumstances that arise after the date hereof or after the date of any report containing such forward-looking statement, as applicable. Such statements may involve known and unknown risks, uncertainties, and other factors which may cause the actual results, performance, and achievements to be different from future results, performance and achievements expressed or implied by such forward-looking statements. Investors are cautioned that the actual results could differ materially from those set forth in the forward-looking statements. Forward-looking statements included in this Appendix A do not contemplate the economic or other effects related to COVID-19, unless specifically referenced. In addition, where so referenced, actual results could differ materially from those anticipated in such forward-looking statements. For further information regarding COVID-19, see "Global Health Emergency Risk" on page 3 of the Official Statement.

The publication of this Appendix A does not constitute or imply any representation (i) that the foregoing is material to investors, (ii) regarding any other financial, operating or other information about the University or its debt obligations or (iii) that no other circumstances or events have occurred or that no other information exists concerning the University or its debt obligations which may have a bearing on the financial condition of the University, the security for its debt obligations, or an investor's decision to buy, sell or hold any debt obligations. This information is subject to change without notice. This Appendix A only speaks as of its date and does not imply that there has been no change in any other information relating to the obligations with respect to which this Appendix A is filed as described above. Nothing contained in this Appendix A is, or should be construed as, a representation by the University that the information included in this Appendix A or any previous filings constitutes all of the information that may be material to a current decision to invest in, hold or dispose of any of the obligations, or any other securities issued for the benefit of the University. Moreover, there is no duty created by this filing for the Board, or the University to update the information included in this Appendix A.

TABLE OF CONTENTS TO APPENDIX A

APPENDIX A
UNIVERSITY OF CONNECTICUT

October 27, 2022

This Appendix A, furnished by the University of Connecticut (the "University"), contains information as of the date of this Official Statement, except as expressly provided herein. This Appendix A and the schedules attached hereto should be read collectively and in their entirety.

UNIVERSITY OF CONNECTICUT

INTRODUCTION

The University of Connecticut (the "University") was established and exists as an institution for the education of residents of the State of Connecticut (the "State"). The University, originally established in 1881, is one of the nation's nine colonial land grant colleges. Since it was established, the University has consistently expanded its academic program and physical plant to meet the higher educational needs of State residents. In April 1881, the Connecticut General Assembly established the Storrs Agricultural School after accepting a gift of 170 acres of land, several buildings, and money from Charles and Augustus Storrs. The Storrs Agricultural School opened on September 28, 1881, with 12 students in the first class. Before the turn of the century, there were two name changes, to Storrs Agricultural College in 1893 and to Connecticut Agricultural College in 1899. In 1933, it became Connecticut State College, reflecting its steady advances and broadened mission. In 1939, the General Assembly designated it the University of Connecticut, reflecting its graduate and professional education, research, and public service programs. In 1965, the University became the flagship institution of higher education in the State under the new Constitution of the State, which in Article VIII, Section 2 provides that the State shall maintain a system of higher education, including the University, dedicated to excellence in higher education.

In addition to the main campus in Storrs ("Storrs"), there are four undergraduate regional campuses (one of which also houses the graduate School of Social Work), a School of Law and a complex of health and educational facilities (sometimes referred to herein as the "University of Connecticut Health Center" or "UConn Health" or "UCH"). UConn Health consists of the School of Medicine, the School of Dental Medicine, medical and dental educational clinics, UConn Medical Group and the UConn John Dempsey Hospital. The Storrs and regional campuses and UConn Health comprise 4,286 acres of land and are strategically located throughout the State. The University competes with public and private institutions for students.

As of November 2022, the University had approximately 280,000 alumni worldwide and approximately 32,000 students (including UConn Health) studying in 14 colleges and schools offering eight undergraduate and 23 graduate and professional degree programs.

The State's support for the University reflects the status of the University as the flagship institution of the State system of higher education.

GOVERNANCE, ACADEMIC PROGRAMS AND CAMPUSES

Board of Trustees

Composition. The Board of Trustees of the University (the "Board of Trustees") consists of 21 persons. The Governor, the Commissioner of Education, the Commissioner of Agriculture, the Commissioner of Economic & Community Development, and the Chair of UConn Health Board of Directors are ex-officio members of the Board of Trustees. The Governor is the ex-officio President of the Board of Trustees and is authorized to appoint twelve members of the Board of Trustees who reflect the State's geographic, racial, and ethnic diversity. Two members of the Board of Trustees are elected by the University alumni, and two are elected by the students enrolled at the institutions under jurisdiction of the Board of Trustees.

Although the University is governed by a single Board of Trustees with one chief executive officer, UConn Health maintains a separate budget and is by statute a separate entity for purposes of maintaining operating funds and State appropriations. It is managed by a board of directors (the "Board of Directors") to which the Board of Trustees has delegated certain duties and authority. Information concerning UConn Health is included under the heading "UNIVERSITY OF CONNECTICUT HEALTH CENTER" below in this Appendix A.

Membership. The name, term, position and affiliation or profession of each member of the Board of Trustees is as follows:

Name	Term Ends	Position	Affiliation/Profession
The Honorable Ned Lamont		President ex-officio	Governor
Charlene M. Russell-Tucker		Member ex-officio	Commissioner of Education
Bryan Hurlburt		Member ex-officio	Commissioner, Department of Agriculture
David Lehman		Member ex-officio	Commissioner, Department of Economic & Community Development
Sanford Cloud, Jr.	2014*	Member ex-officio, Chair UCH BOD	Chairman and CEO, The Cloud Company, LLC
Andy F. Bessette	2025	Member	Executive Vice President & Chief Administrative Officer, The Travelers Companies, Inc.
Mark L. Boxer	2027	Member	Executive Vice President and Chief Operating Officer, University of Hartford
Charles F. Bunnell	2025	Member	Chief of Staff, The Mohegan Tribe
Shari G. Cantor	2025	Member	Mayor, West Hartford, CT
Joshua Crow	2024	Student Elected Member	Graduate Student
Andrea Dennis-LaVigne	2025	Vice-Chair and Secretary	Veterinarian, Bloomfield Animal Hospital
Damani R. Douglas	2024	Student Elected Member	Undergraduate Student
Marilda L. Gandara	2023	Member	Retired President, Aetna Foundation Inc.
Jeanine A. Gouin	2025	Alumni-Elected Member	U.S. Regional Manager, SLR International Corporation
Rebecca Lobo	2021*	Member	Sports Broadcaster
Kevin J. O'Connor	2023	Member	Senior Vice President & Chief Legal Officer, Carrier
Bryan K. Pollard	2023	Alumni-Elected Member	Associate General Counsel, United Technologies Corporation
Thomas D. Ritter	2021*	Member	Attorney, Brown Rudnick
Philip E. Rubin	2027	Member	Senior Advisor, Haskins Laboratories
Daniel D. Toscano	2027	Chair	Global Head of Leveraged & Acquisition Finance, Morgan Stanley & Co, Inc.

* Board members continue to serve until re-appointed or replacements are appointed.

Duties of the Board of Trustees. Subject to statewide policy and guidelines established by the Board of Regents for Higher Education, the Board of Trustees is authorized to establish rules and general policies for the governance of the University, including its mission, regional campuses, degrees, and academic programs. The Board of Trustees appoints the President, manages the investments, and directs the expenditures of the University. The Board of Trustees is required by law to review and approve the annual University budget and facility, planning and capital expenditure budget priorities. The Board of Trustees may employ the faculty and other personnel needed to operate and maintain the University. The Board of Trustees is authorized to fix the compensation of

University personnel, establish terms and conditions of their employment, and prescribe their duties and qualifications. The Board of Trustees is authorized to constitute its professional staff and establish compensation and classification schedules for such personnel.

Officers of the Board of Trustees. The officers of the Board of Trustees, apart from the Governor who is President ex-officio, are the Chair, Vice-Chairs and Secretary. The Chair is privileged to make or discuss motions and to vote on all questions. The Chair may designate a Vice-Chair to act in his or her absence.

Daniel D. Toscano was appointed Chairman of the Board of Trustees in 2019. Chairman Toscano is a University of Connecticut 1987 graduate with a Bachelor of Sciences degree in finance and earned his MBA from the University of Pennsylvania in 1999. He is currently Global Head of Leveraged & Acquisition Finance at Morgan Stanley & Co., Inc. He served eleven years on the UConn Foundation Board of Directors, including serving as chair of the board for three years and as chair of the Investment Committee for several years prior.

Committees of the Board of Trustees. The Board of Trustees acts as a committee of the whole on all matters requiring action. The Board of Trustees is authorized by the Act to adopt a resolution delegating to the Financial Affairs Committee of the Board such matters relating to the issuance and sale of securities in the name of the University on behalf of the State as it may determine appropriate, except as to the authorization of the amount of, the nature of, and property to be financed by, such securities; provided that, the Board of Trustees must retain overall control, responsibility and supervision.

In addition to the Financial Affairs Committee, other Board of Trustees committees include Academic Affairs; Buildings, Grounds and Environment; Compensation; Construction Management Oversight; Diversity, Equity and Inclusion; Executive; Honors & Awards; Institutional Advancement; Joint Audit and Compliance; Research, Entrepreneurship, and Innovation; Student Life; Trustee-Administration-Faculty-Student (TAFS) and UConn Health.

University Governance and Administration

Governance and Administration. The administration of the University is determined in part by legislative enactment, in part by the By-Laws of the Board of Trustees, and in part by regulations made by the President, the University Senate, and the several faculties. The Board of Trustees is authorized by law to appoint a President of the University. The President is the chief executive officer of the University. The President is responsible for carrying out the policies and enforcing the rules adopted by the Board of Trustees.

On January 14, 2022, Dr. Andrew Agwunobi announced his resignation as Interim President of the University and CEO of UConn Health effective February 20, 2022. On January 26, 2022, the Board of Trustees appointed Dr. Radenka Maric as the University's new Interim President, effective February 1, 2022, allowing for a transition period between herself and Dr. Agwunobi.

On September 28, 2022 the Board of Trustees appointed Dr. Radenka Maric as the University's new President, effective immediately. Dr. Maric was the Vice President for Research, Innovation and Entrepreneurship, and a Board of Trustees Distinguished Professor at the University, where she oversaw the University's $377 million research enterprise at the main campus in Storrs, the UConn Health campus in Farmington, the School of Law in Hartford, and four regional campuses around the State. Previously, Dr. Maric served as the inaugural executive director of the University's $162 million Innovation Partnership Building, which houses state-of-art specialized equipment and research centers of excellence and serves as a nexus for industry-academic partnerships. Dr. Maric is the Connecticut Clean Energy Fund Professor of Sustainable Energy in the University Department of Chemical & Biomolecular Engineering and Department of Materials Science and Engineering. She brings her technical background in materials and energy to create, manage and lead innovative programs designed to commercialize new products and develop emerging markets that utilize advanced materials. She has expertise in integrating emerging market needs with technology capabilities to define vision and strategies of scientific organizations, building and leading diverse teams, prioritizing programs for market development and commercialization, and managing diverse scientific and engineering project portfolios. Dr. Maric has a BS in Materials Science from the

University of Belgrade, Faculty of Technology & Metallurgy, Serbia; and she holds an MS and Ph.D. in Materials Science from Energy Kyoto University, School of Engineering, Japan.

The names and backgrounds of other principal administrative officers of the University are as follows:

Name	**Position**	**Background**
Anne D'Alleva	Interim Provost and Executive Vice President for Academic Affairs	PhD and MA, in Art History from Columbia University with a graduate certificate in feminist theory, BA in Art History from Harvard University; over 20 years at UConn, with a joint appointment in Art History and Women's, Gender, and Sexuality Studies; seven years as Dean of the School of Fine Arts, as well as prior appointments as an Associate Dean and Department Head.
Lloyd Blanchard	Interim Vice President for Finance and Chief Financial Officer	PhD and MPA, University of Syracuse, BA Political Science, University of Texas-San Antonio, BA Economics, University of Texas-Austin; over 20 years in higher education and finance including Senior Vice President for Administration and Finance at Medgar Evers College of the City University of New York, and Vice Provost for Fiscal Management at Louisiana State University.
Bruce Liang	Interim CEO and Executive Vice President for Health Affairs	MD, Harvard Medical School, BA Biochemistry and Molecular Biology, Harvard College; held faculty appointments at Harvard and University of Pennsylvania School of Medicine; over 20 years at UConn Health, most recently as the Dean of UConn School of Medicine.

Legal Services. The University receives legal services from the University's Office of the General Counsel, the State's Office of the Attorney General and private counsel on occasion, retained through the Office of the Attorney General or directly as authorized by the Act in connection with the construction, operation, or maintenance of any UCONN 2000 project. In addition, UConn Health has the statutory authority to engage outside counsel, relative to UConn Health's clinical enterprise, through the University of Connecticut Health Center Finance Corporation.

The University Efforts to Mitigate the Impact of COVID-19 on Students and Faculty

Over the past two years, the University has faced numerous challenges due to the COVID-19 pandemic. The University has implemented certain protocols and safety measures, and for Fall 2022 more than 91% of classes are scheduled to be held in-person and housing capacity is expected to return to pre-pandemic levels.

Consistent with federal, state, and local efforts to minimize outbreaks of COVID-19, all University students on our campuses who participate in any on-campus activities for any reason are required to be fully vaccinated, subject to exemption requests, and to report vaccination compliance to the University. Faculty and staff who are student facing are encouraged to be present and on-campus to be available to students and community. The specific protocols and campus guidelines regarding physical distancing, masking, cleaning and hygiene may be found at https://covid.uconn.edu/campus-guidelines.

The University is carefully monitoring developments and the directives of federal, state, and local officials to determine what additional precautions and procedures may need to be implemented by the University in response to the pandemic. The University closely monitors all data and trends regarding the presence of COVID-19.

Strategic and Academic Plan

Adopted on February 10, 1995, the Strategic Plan has served as the Board of Trustees' blueprint for the University's future. Just as UCONN 2000 is the General Assembly's blueprint for transforming the physical infrastructure of the University, the Strategic Plan is the blueprint for reshaping UConn's scholastic and social environment.

In 2013, the University developed a revised Academic Plan to set the future direction and priorities for the University and to identify new goals and strategic initiatives to realize its aspiration to be counted among the nation's top flagship public universities. The Academic Plan is characterized by bold and innovative ideas about how the University can:

- Increase research productivity.
- Adapt to change and implement innovations in teaching pedagogy.
- Develop interdisciplinary ideas for research and scholarship with global implications; and
- Establish models of academic organizational structures.

The University is currently developing a new Strategic Plan to build upon UConn's prestige as a great public research flagship university. The new plan will do this by tackling three key priorities for transformation: doubling research and scholarship, providing life-transformative education to every UConn student, and becoming a more powerful engine for the State of Connecticut. The University expects to share a draft plan with the Board of Trustees in 2023. The new Strategic Plan will establish a common set of priorities at UConn to unite the University community toward the shared goals of excellence in research, providing a transformative student experience, and driving economic and social well-being in Connecticut.

UCONN 2000: Next Generation Connecticut

The UCONN 2000 Infrastructure Improvement Program established by the Act is designed to modernize, rehabilitate and expand the physical plant of the University. The Act provides for a thirty-two year capital budget program in three phases at a total estimated cost of $4.6 billion. The Act provides for a plan of financing UCONN 2000 projects with $4.3 billion of general obligation bonds of the University secured by the State Debt Service Commitment. The balance of the estimated cost of UCONN 2000 projects may be financed by proceeds of special obligation bonds of the University, general obligation bonds of the State or with gifts or other revenue or borrowing resources of the University. The University is currently in the third phase of the program.

In July 2013, Public Act 13-233 established Next Generation Connecticut as part of the third phase of the Act. Next Generation Connecticut, which was amended in 2017, is a major initiative supported by the State that greatly expands educational opportunities, research, and innovation in the STEM disciplines at the University. The shared goal of Next Generation Connecticut is to leverage the strength and resources of the University to build Connecticut's future workforce, create jobs and bring new life to the State's economy. The cornerstone of this effort continues to be increasing STEM enrollment, the expansion of faculty, and new and updated facilities to accommodate enhanced STEM research and teaching, as well as the growing student population.

Since the beginning of this initiative, the University has experienced significant growth in applications, enrollment and degrees awarded.

- Storrs Engineering Undergraduate Enrollment increased from 1,978 in FY13 to 3,276 in FY23 or by 66%.
- Storrs STEM Undergraduate Enrollment increased from 7,995 in FY13 to 10,977 in FY23 or by 37%.
- Storrs Undergraduate Enrollment increased from 17,528 in FY13 to 18,983 in FY23 or by 8%.
- Undergraduate STEM Degrees Awarded increased from 2,387 in FY13 to 2,989 in FY22 or by 25%.

The Next Generation Connecticut initiative provides for capital bonding through Fiscal Year 2027. In addition, the initiative provided a limited amount of State operating budget support. These funds partially supported the 174 new faculty hires in FY14 through FY17 with 98 of those hires in the STEM fields. These faculty hires have helped the University to make significant progress towards growing research. Since the Next Generation Connecticut initiative began, research awards have increased by 118%.

Status of UCONN 2000 Projects

Numerous UCONN 2000 projects have been completed from 1997 until the present. The following table lists the UCONN 2000 projects, which have been authorized by the Board of Trustees, the funding source, and the construction status of the project:

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Projects Authorized	Construction Status[1]
A. General Obligation Bonds	
Total – Storrs and Regional Campus Project List	
Academic and Research Facilities	Ongoing
Deferred Maintenance/Code Compliance/ADA Compliance/Infrastructure Improvements & Renovation Lump Sum and Utility, Administrative and Support Facilities- Phase III	Ongoing
Equipment, Library Collections & Telecommunications - Phase III;	Ongoing
Residential Life Facilities	Ongoing
Agricultural Biotechnology Facility; Agricultural Biotechnology Facility Completion; Alumni Quadrant Renovations[2]; Arjona and Monteith (new classroom buildings); Avery Point Campus Undergraduate and Library Building; Avery Point Marine Science Research Center - Phase I; Avery Point Marine Science Research Center - Phase II; Avery Point Renovation; Beach Hall Renovations; Benton State Art Museum Addition (Phases I & II); Benton State Art Museum Addition (Phase III); Biobehavioral Complex Replacement; Bishop Renovation; Business School Renovation – Phase II; Central Warehouse - New; Chemistry Building; Deferred Maintenance & Renovation Lump Sum Balance; Deferred Maintenance & Renovation Lump Sum Balance; East Campus North Renovations[2]; Engineering Building (with Environmental Research Institute); Equipment, Library Collections & Telecommunications - Phase I; Equipment, Library Collections & Telecommunications Completion - Phase II; Family Studies (DRM) Renovation; Farm Buildings Repairs/Replacement; Fine Arts Phase II; Floriculture Greenhouse; Gant Building Renovations; Gant Plaza Deck; Gentry Completion; Gentry Renovation; Grad Dorm Renovations; Hartford Relocation Acquisition/Renovation; Hilltop Dormitory Renovations; Heating Plant Upgrade[3]; Ice Rink Enclosure; International House Conversion (a.k.a. Museum of Natural History); Intramural, Recreational and Intercollegiate Facilities; Jorgensen Renovation; Koons Hall Renovation/Addition; Lakeside Renovation; Law School Renovations/Improvements; Litchfield Agricultural Center – Phase I;	Completed (A-L)
Manchester Hall Renovation; Mansfield Apartments Renovation; Mansfield Training School Improvements – Phase II; Mansfield Training School Improvements – Phase III; Monteith Renovation; Music Drama Addition; Natural History Museum Completion; North Campus Renovation[2]; North Hillside Road Completion; North Superblock Site & Utilities; Northwest Quadrant Renovation - Phase I; Northwest Quadrant Renovation - Phase II; Old Central Warehouse; Parking Garage-North; Parking Garage #3; Pedestrian Spine path; Pedestrian Walkways; Psychology Building Renovation/Addition; School of Business; School of Pharmacy; School of Pharmacy / Biology Completion; Shippee/Buckley Renovations[2]; South Campus Complex[4]; Stamford Campus Improvements/Housing; Stamford Downtown Relocation – Phase I; Storrs Hall Addition; Student Union Addition; Support Facility; Technology Quadrant-Phase IA; Technology Quadrant-Phase II; Torrey Life Science Renovation; Torrey Renovation Completion and Biology Expansion; Torrington Campus Improvements; Towers Renovation[2]; Underground Steam & Water Upgrade; Underground Steam & Water Upgrade Completion; Waring Building Conversion; Waterbury Downtown Campus; Waterbury Property Purchase; West Campus Renovations; West Hartford Campus Renovations/Improvements; White Building Renovation ; Wilbur Cross Building Renovation; Young Building Renovation/Addition;	Completed (M-Z)
UConn Health	
Deferred Maintenance/Code Compliance/ADA Compliance/Infrastructure & Improvements Renovation Lump Sum and Utility, Administrative and Support Facilities-Health Center	Ongoing
Equipment, Library Collections and Telecommunications-Health Center	Ongoing
CLAC Renovation Biosafety Level 3 Lab; Dental School Renovation; Library/Student Computer Center Renovation;	Completed (A-L)
Main Building Renovation; Medical School Academic Building Renovation; Planning and Design Costs; Research Tower; Support Building Addition/Renovation; The University of Connecticut Health Center New Construction and Renovation;	Completed (M-Z)
B. Special Obligation Student Fee Revenue Bonds	
Alumni Quadrant Renovations[2]; East Campus North Renovations[2]; Hilltop Dormitory New[5]; Hilltop Student Rental Apartments[5]; Intramural, Recreational & Intercollegiate Facilities[6];	Completed (A-L)
North Campus Renovation (including North Campus Student Suites and Apartments)[2]; Parking Garage-South[5]; Shippee/Buckley Renovations[2]; South Campus Complex[4]; Towers Renovations (including Greek Housing)[2;]	Completed (M-Z)

[1] Some projects listed as ongoing might be substantially complete for use purposes. Also, note that some projects might reflect a completed status for recently completed work, but future funding may still be available for which work has not yet begun.

[2] Partially funded with proceeds from the University's General Obligation Bonds and partially funded with the proceeds of the University's Student Fee Revenue Bonds, 2002 Series A.

[3] In addition, the University has entered a tax-exempt lease financing for a Cogeneration Facility for the Heating Plant in the amount of $81.9 million under the UCONN 2000 authority.

[4] Partially funded with proceeds from the University's General Obligation Bonds and partially funded with the University's Student Fee Revenue Bonds, 1998 Series A.

[5] The Hilltop Dormitory New and the Hilltop Student Rental Apartments comprise the Hilltop Housing Complex which was funded along with the Parking Garage South with the proceeds of the University's Student Fee Revenue Bonds, 2000 Series A.

[6] The Intramural, Recreational & Intercollegiate Facilities is partially funded with University's Student Fee Revenue Bonds 2018 Series A.

Campuses and Physical Plant

General Information. Of the six campuses, Storrs is the largest campus with 3,445 acres. There are four undergraduate regional campuses strategically located throughout the State in Avery Point, Stamford, Waterbury, and Hartford. As of Fall 2022, there are 102 residential facilities on the Storrs campus, serviced by eight large dining halls, and three residential facilities on the Stamford campus. Together they have the capacity to provide room and board for approximately 12,500 graduate and undergraduate students. In addition to the regional campuses, the University includes the University of Connecticut School of Law, located in Hartford, and UConn Health, located in Farmington. Collectively these campuses are serving a student body of approximately 32,000 in the 2022-23 academic year.

Academic Programs and Degrees Conferred

The University offers a broad spectrum of liberal arts and sciences, professional and graduate education degree programs through its 14 colleges and schools, including the School of Dental Medicine, School of Medicine and School of Law. The University confers eight kinds of undergraduate degrees in 123 majors, 17 graduate degrees in 95 research and professional practice fields of study, and 6 graduate professional programs. The University also offers individualized majors and interdisciplinary fields of study. The University has several special facilities and programs. Research and academic program support is carried out both in the departments of 14 schools and colleges and at more than 80 research, academic support, and cultural centers and institutes across all University campuses.

Climate Change

The University is working hard to minimize the risks, impacts, and associated costs of climate change. In March 2008, the University signed the American College and University Presidents Climate Commitment (ACUPCC), now known as the Second Nature Carbon Commitment (Second Nature). Second Nature recognizes that institutions of higher education have a unique responsibility to not only educate the next generation of individuals responsible for developing the social, economic and technological solutions to reverse global warming, but also to serve as role models by embracing sustainability initiatives on campus. The Second Nature Carbon Commitment reflects the University's pledge to eliminate the Storrs campus' greenhouse gas (GHG) emissions over time. The University set a goal of becoming carbon neutral by 2050 and has reduced its emissions by more than 20% since 2007. The University has a Climate Action Plan (CAP) that is intended to be used as a tool to identify ways to achieve GHG reduction strategies, set timelines for incremental progress, quantify the costs and benefits of proposed projects, and prioritize actions to reach carbon neutrality. In addition, the University continues to evaluate the feasibility of accelerating its carbon neutrality targets and has mobilized members of its faculty, staff and student body to support these efforts. The full CAP and progress to date may be found at https://sustainability.uconn.edu/climate-action-plan.

The University also participates in the State's GreenerGov CT Lead by Example initiative in meeting the goals outlined in Governor Lamont's Executive Order 1 (EO-1). EO-1 directs Executive Branch agencies to advance environmental leadership and cost savings for taxpayers by reducing greenhouse gas emissions in buildings and vehicles, water consumption, and improving waste diversion from disposal. Details about the EO-1 and the University's annual Sustainability Performance Plan may be found at https://portal.ct.gov/GreenerGov.

Cybersecurity

The University, like many other public and private entities, relies on technology to conduct its operations. The University faces frequent cybersecurity threats including but not limited to hacking, viruses, malware, and phishing on computers and other sensitive digital networks and systems. To reduce the risk of business operations being negatively impacted from cybersecurity attacks, the University maintains an active cybersecurity program which includes a diverse array of cybersecurity and operational controls designed to identify, protect, detect, respond, and recover to the everchanging security threat landscape. This includes a comprehensive policy set related to the security of the University's data and networks.

The University continues to maintain an active security program guided by current and expected threats and supported by a 2021 third party University wide cybersecurity assessment. The program consists of various methods of security awareness and education across multiple constituencies as well as a focus on cybersecurity awareness during the National Cybersecurity Awareness Month in October of each year. The University continues to evaluate and adjust our cybersecurity toolset to improve overall efficiency with a goal towards automation where feasible. The University provides 24/7/365 oversight of the University's data and networks.

Substantive elements of the University's information technology cybersecurity infrastructure were reviewed by an external entity for operational improvements. Four workstreams were pursued: security program assessment and technology review; network architecture assessment; vulnerability assessment and penetration test; and application security reviews. This comprehensive assessment of programs helped the University identify immediate risks and is guiding the prioritization of cybersecurity investments for the next several years.

No assurances can be given however, that such security and operational control measures will be completely successful to guard against cyber threats and attacks. The results of any such attack could impact business operations and/or damage the University's digital networks and systems and the costs of remedying any such damage could be substantial.

COMPETITION AND COMPETITIVENESS

Accreditation and Ranking

The New England Commission of Higher Education and several other accreditation bodies for specific schools and programs accredit the University.

The National Science Foundation ranks the University 60 out of 415 public universities in the country in research and development spending. The Carnegie Foundation currently classifies the institution with only 106 other public institutions nationwide in the highest category of doctoral universities (Very High Research Activity). To qualify for this classification, universities must annually award at least 20 doctorates and demonstrate high levels of research based on several aggregate and per-capita (full-time faculty) measures, including research and development expenditures, postdoctoral appointees, non-faculty research staff, and doctoral conferrals in humanities, social sciences, STEM fields, and other fields (e.g., business, education, public policy, social work).

The quality of the University's diverse graduate programs is enhanced by the presence of exceptional graduate students. 6,533 degree seeking students are enrolled in graduate degree programs in academic year 2022-23; of this figure 2,179 are supported on merit based graduate assistantships. This support is available in 92 fields of study in the arts and sciences and professional disciplines.

Student Admissions and Enrollment

Admissions. The University continues to be in high demand with freshmen applications for all campuses at nearly 43,000 for the Fall 2022 entering class. The University of Connecticut ranks among the Top 30 public universities in the nation according to U.S. News & World Report Best Colleges. Also, the Scholastic Aptitude Test (SAT) scores for students entering the University consistently exceed the statewide and national SAT score averages.

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Schedule of Freshmen Enrollment - Storrs Campus
Fall 2018 – 2022

Fall	Freshmen Applications	Change in Applications	Accepted	Enrolled	Change in Enrolled as a Percentage	Enrolled as a Percentage of Accepted
2018	34,886	2.0%	17,015	3,749	1.8%	22.0%
2019	35,096	0.6	17,346	3,603	(3.9)	20.8
2020	34,437	(1.9)	19,316	3,825	6.2	19.8
2021	36,753	6.7	20,433	3,663	(4.2)	17.9
2022	40,894	11.3	22,293	4,069	11.1	18.3

Average Total SAT Scores*
Fall 2018 - 2022

Fall	Storrs Campus	Regional Campuses	Connecticut Average	National Average
2018	1306	1106	1053	1068
2019	1296	1113	1046	1059
2020	1281	1080	1039	1051
2021	1318**	1128**	1072	1060
2022	1315	1112	1025	1050

*Excluding the writing component
**Standardized test average represents students who elected to submit test scores as part of their application materials. UConn is piloting a test-optional undergraduate admissions process through the Fall 2026 admission cycle.

Enrollment. Total enrollment at all campuses has been stable from Fall 2018 through Fall 2022 as set forth below.

Total Enrollment Data (Head Count)[1]
Fall 2018 – 2022

Undergraduates	**2018**	**2019**	**2020**	**2021**	**2022**
Storrs	19,133	18,847	18,917	18,567	18,983
Regional Campuses	4,845	5,053	5,454	5,270	5,093
Total	**23,978**	**23,900**	**24,371**	**23,837**	**24,076**
Graduates/Professionals[2]	**7,668**	**7,787**	**7,652**	**7,656**	**7,365**
UConn Health					
Medicine	425	444	449	452	451
Dental Medicine	186	202	197	201	202
Total	**611**	**646**	**646**	**653**	**653**
Grand Total	**32,257**	**32,333**	**32,669**	**32,146**	**32,094**

[1] Includes non-degree and part-time students.
[2] Includes master's and doctoral students at all campuses, including UConn Health, and students in the professional degree programs in Law and Pharmacy.

Percentage of Enrollment by Residence Status
Fall 2018 - 2022

	Undergraduate				Graduate/Professional	
	Storrs Campus		All Campuses		All Campuses*	
Fall	In-State	Out-of-State	In-State	Out-of-State	In-State	Out-of-State
2018	71.5%	28.5%	76.2%	23.8%	63.2%	36.8%
2019	72.5	27.5	77.2	22.8	62.5	37.5
2020	72.4	27.6	77.3	22.7	65.2	34.8
2021	71.4	28.6	76.4	23.6	64.7	35.3
2022	69.3	30.7	74.5	25.5	61.6	38.4

*Excludes Schools of Medicine and Dental Medicine.

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 $636 is for student health services, $500 is for the Student Recreation Center, $192 is for various student-controlled organizations, $468 is for infrastructure maintenance, $168 is a transit fee, and $150 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. See "UNIVERSITY FINANCES – University Indebtedness" in this Appendix A.

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. Rates reflect a standard double room and the Value Meal Plan, higher and lower cost options are available.

In-State Undergraduate Tuition & Other Fees
Academic Years 2019 - 2023

	2019[3]	2020	2021	2022	2023
Tuition	$12,848	$13,798	$14,406	$15,030	$15,672
Room & Board[1]	12,874	13,258	13,258	13,258	13,622
General University Fee	1,334	1,380	1,380	1,380	1,474
Other Fees[2]	1,548	2,048	2,048	2,114	2,288
Total	**$28,604**	**$30,484**	**$31,092**	**$31,782**	**$33,056**

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

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

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

FY 2023 Undergraduate Tuition and Fees
Competitor University Comparison*

	In-State	Out-of-State
Boston College	$62,950	$62,950
Boston University	62,360	62,360
Northeastern University	60,542	60,542
Syracuse University	60,135	60,135
Quinnipiac University	51,790	51,790
Pennsylvania State University	19,544	38,360
University of Connecticut	**19,434**	**42,102**
University of Vermont	18,890	43,890
University of Massachusetts	16,952	38,172
Rutgers University	16,112	33,812
University of Delaware	15,410	37,930
University of Maryland	11,232	39,468

*Competitors include those institutions which share the most cross-admits with the University of Connecticut. Source of tuition and fee rates is institution websites.

Student Financial Aid

The University provides financial aid and financial counseling. The University has a policy of admitting students without regard to financial ability to pay and a policy of providing assistance to those admitted who demonstrate need. Approximately 79% of all undergraduates are receiving some form of financial aid.

Scholarships, Grants and Work-Study. In addition to University financial aid, there are a number of state, federal and private student financial aid programs available, including the Federal Pell Grant of up to $6,895 (for Fiscal Year 2023) and the Federal Supplemental Education Opportunities Grant (SEOG) of up to $4,000. Both are awarded annually based on need. In addition, the University offers a number of merit scholarships. The University also offers Federal Work-Study employment, which is need-based, and Student Labor employment, which is available to all students.

Loan Programs. There are several loan programs at the University. Federal Direct Subsidized Stafford Loans are based on financial need, and the Federal Direct Unsubsidized Stafford Loans are available to students who do not qualify for the Federal Direct Subsidized Stafford Loans. Additionally, there is the Federal Direct Parent Loan to Undergraduate Students (PLUS) program, and the Federal Direct Graduate PLUS loan is available to eligible graduate students.

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 required by collective bargaining agreements to waive tuition for dependents of certain employees. The foregone revenue resulting from all such waivers in the 2023 academic year is budgeted at $85.0 million.

Financial Aid to University Students* (excluding Tuition Waivers) for Fiscal Years 2019 – 2023 (in millions)

	2019	2020	2021	2022	2023 Budget
University Supported	$129.2	$142.8	$153.1	$163.8	$174.7
State	9.0	9.7	10.7	9.9	9.8
Federal	35.3	46.2	51.4	69.5	41.5
Other**	14.8	12.9	14.7	19.7	18.8
Total Aid in Budget* **	**$188.3**	**$211.7**	**$229.8**	**$262.8**	**$244.9**

*In addition to the financial aid listed above, students receive over $200 million annually in aid from sources outside the University.

**Other funding comes from private sources such as the Foundation and Endowments.

***Note: totals may not add due to rounding.

UNIVERSITY FINANCES

Financial Management

The University's Board of Trustees has the authority for fiscal oversight of the University. In addition to the State appropriation, the University receives tuition, fees, auxiliary (including room, board, and athletics), grants and contract, and other revenues. Some of these revenues may be restricted or dedicated as to use by the terms of the appropriation, gift, grant, or contract.

The authority granted to the University in the Act builds upon the successful implementation of the operational autonomy and responsibility provided in several pieces of legislation known as the Flexibility Acts, enacted in the early 1990's. The University became responsible and accountable for its operational decisions independent of many of the previously imposed regulatory requirements. The enactment of UCONN 2000 extended the authority vested in the University by the Flexibility Acts.

The financial statements contained in this Official Statement reflect budget execution results that are based upon spending plans and operating and capital budgets approved by the Board of Trustees. In addition, the Joint Audit and Compliance Committee of the Board provides oversight of all University financial reporting and processes and internal control systems, as well as direct engagement in the approval of independent auditing services to augment the University's internal audit capacity and the work performed by State auditors (the "Auditors of Public Accounts"). The Auditors of Public Accounts annually issue an Independent Auditors' Report on the financial statements of the University.

In accordance with statutory requirements, a Construction Management Oversight Committee was established in 2006 (the "CMOC"). The CMOC is made up of seven (7) members, four (4) appointed by the Governor and General Assembly and three (3) appointed by the University of Connecticut's Board of Trustees, all for four-year terms. Following expiration of their appointment terms and absent new appointments, the four non-UConn members resigned. The non-UConn appointing authorities have not made new appointments. Notwithstanding that, the meetings of the CMOC continued to be noticed but the committee was unable to act in the absence of a quorum. As a result, in 2015, the University transferred the duties of the CMOC to the Buildings, Grounds and Environment Committee of the Board. Until such time as the legislature makes the required appointments or eliminates the statutory requirement for the committee, the Board deemed it prudent to assume responsibility to review and approve the University's construction management policies and procedures and accept the reports of the Construction Assurance Officer.

The University has also implemented and staffed an organizational structure for capital program contracting and procurement and has engaged an outside independent auditor to perform annual audits of the UCONN 2000 program.

Financial Statements of the University

The audited financial statements of the University of Connecticut and the University of Connecticut Health Center (excluding the University of Connecticut Foundation, Inc.) for the Fiscal Year ended June 30, 2021, 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, 2017, 2018, 2019, 2020 and 2021. See "UNIVERSITY OF CONNECTICUT HEALTH CENTER" below in this Appendix A for the same information for UConn Health.

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Statements of Revenues, Expenses, and Changes in Net Position

($ in thousands)

OPERATING REVENUES	2017	2018	2019	2020	2021
Student tuition and fees [1]	$ 367,351	$ 386,921	$ 396,780	$ 422,519	$ 397,237
Federal grants and contracts	100,397	106,561	121,593	125,936	147,547
State and local grants and contracts	16,931	19,441	17,959	19,944	16,364
Nongovernmental grants and contracts	28,005	18,386	23,577	21,042	20,012
Sales and services of educational departments	20,325	23,708	22,710	15,688	25,355
Sales and services of auxiliary enterprises [2]	209,851	210,990	211,036	169,016	73,577
Other sources	11,909	14,009	29,750	31,960	26,943
Total Operating Revenues	754,769	780,016	823,405	806,105	707,035
OPERATING EXPENSES					
Salaries and wages	556,411	569,359	569,872	602,873	617,225
Fringe benefits	349,328	338,545	417,689	597,737	685,126
Supplies and other expenses	245,357	264,456	279,602	257,977	226,404
Utilities	19,039	19,655	21,063	20,167	17,295
Depreciation and amortization	104,807	108,185	119,346	117,870	122,695
Scholarships and fellowships	11,791	8,870	11,409	23,367	28,866
Total Operating Expenses	1,286,733	1,309,070	1,418,981	1,619,991	1,697,611
Operating Loss	(531,964)	(529,054)	(595,576)	(813,886)	(990,576)
NONOPERATING REVENUES (EXPENSES)					
State appropriation	374,113	342,987	356,898	376,866	397,910
State debt service commitment for interest	64,757	70,740	77,333	78,963	74,170
Federal and state financial aid	34,800	37,986	42,222	64,549	115,892
Gifts	23,628	19,732	28,185	21,790	24,715
Investment income	2,996	6,059	11,957	7,881	794
Interest expense	(59,129)	(64,672)	(70,460)	(71,102)	(66,114)
Disposal of property and equipment, net	(1,418)	(1,524)	(2,345)	(1,912)	(3)
Other nonoperating revenue (expenses), net	(1,776)	(2,475)	745	207	2,594
Net Nonoperating Revenues	437,971	408,833	444,535	477,242	549,958
Loss Before Other Changes in Net Position	(93,993)	(120,221)	(151,041)	(336,644)	(440,618)
OTHER CHANGES IN NET POSITION					
State debt service commitment for principal	281,576	187,269	154,405	-	140,295
Capital grants and gifts	1,388	5,099	3,907	2,276	11,640
Additions to permanent endowments	1,149	338	171	171	164
Athletic conference fees	-	-	-	(16,436)	(3,500)
Transfer to affiliate	-	-	-	-	(2,000)
Net Other Changes in Net Position	284,113	192,706	158,483	(13,989)	146,599
Increase (Decrease) in Net Position	190,120	72,485	7,442	(350,633)	(294,019)
NET POSITION					
Net Position – Beginning of Year, Adjusted	1,053,125	7,743 [3]	91,418 [4]	98,860	(251,773)
Net Position – End of Year	$ 1,243,245	$ 80,228	$ 98,860	$ (251,773)	$ (545,792)

[1] Net of scholarship allowances of $148,415, $156,962, $172,581, $182,914, and $197,042 respectively.

[2] Net of scholarship allowances of $4,981, $6,495, $7,827, $8,563 and $7,395 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.

Budget and Budgeting Procedure of the University

The University submits a biennial operating budget request to the Governor and General Assembly through the Secretary of the Office of Policy and Management (the Governor's fiscal office). The operating budget request sets forth a proposed expenditure plan for the amount necessary to meet cost increases while providing a constant level of services. It may also include an amount for new or expanded programs. The operating budget includes various revenue sources including the State appropriation, tuition, fees, auxiliaries, and other revenue sources. The Governor may reduce State agency allotments by not more than 5% unless approved by the Appropriations Committee of the General Assembly, which shall, within ten days, approve or reject such reduction. The Board of Trustees annually approves separate Spending Plans for the University and UConn Health. The Fiscal Year 2023 Spending Plan was approved by the Board of Trustees on June 29, 2022. See "UNIVERSITY FINANCES-State Support of the University-Appropriations" in this Appendix A.

UConn Health submits a separate operating budget request and receives a separate appropriation and allotment. For a discussion of UConn Health, see "UNIVERSITY OF CONNECTICUT HEALTH CENTER" in this Appendix A.

During each fiscal year, the Board of Trustees must quarterly submit to the General Assembly and the Office of Policy and Management, a report of the actual expenditures of the University's Operating and Research Funds.

The University's Capital Budget request process has been replaced by the Act. The Act provides for a thirty-two-year Capital Budget program of the University and authorizes $4,307.9 million to be financed by general obligation bonds secured by the State's Debt Service Commitment of the University. Per the Act, the estimated cost of UCONN 2000 projects which 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 Special Obligation Bonds, other University debt obligations, State General Obligation Bonds or by gifts or other revenue or borrowing resources of the University. Bonds secured by the State Debt Service Commitment, phase I for Fiscal Years 1996-99 totaled $382 million, phase II for Fiscal Years 2000-05 totaled $580 million and phase III for Fiscal Years 2005-27 totals $3,345.9 million. The University is required to provide a semi-annual update as to the progress of capital projects approved as part of UCONN 2000.

University Budget (Storrs and Regional Campuses)

Anticipated Financial and Operational Impact from COVID-19 for Fiscal Year 2023. The continued impact of COVID-19 on social interaction, travel, economies, and financial markets may in the future adversely affect University finances and operations. It may materially adversely affect (i) the ability of the University to conduct its operations and/or the cost of operations and the revenues generated thereby, and (ii) the returns on and value of the University's investment portfolio. The full impact of COVID-19 and the scope of any adverse impact on University finances and operations in the future cannot be fully determined at this time.

Fiscal Year 2023 Budget. The Fiscal Year 2023 budget includes $1,708.7 million in expenditures and $1,708.7 million of revenue to balance the budget

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 Operations[1] (in millions)

Current Funds Revenues:	FY19 Actual	FY20 Actual	FY21 Actual	FY22 Actual (Unaudited)	FY23 Budget
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	173.6	189.3	237.1	264.1	223.3
Total Operating Fund	$1,313.3	$1,343.4	$1,304.1	$1,532.8	$1,536.4
Research Fund	122.2	118.9	140.7	150.5	172.3
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	49.6	22.5	2.9	75.2	55.8
Total Operating Fund	$1,306.6	$1,344.9	$1,324.5	$1,515.5	$1,536.7
Research Fund Expenditures	122.4	119.8	135.6	152.1	172.0
Total Current Funds Expenditures	**$1,429.0**	**$1,464.7**	**$1,460.0**	**$1,667.7**	**$1,708.7**
Mitigating Actions				(15.3)	
Lapses			15.3		
Net Gain (Loss)	**$ 6.5**	**($ 2.4)**	**$ 0.0**	**$ 0.3**	**$ 0.0**

[1]The 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

The State develops a biennial budget, which includes the University appropriation request. The appropriations are applicable to each specific year and the second year's appropriation is subject to review and adjustment. The University has historically received a substantial percentage of its operating revenue from the State General Fund Appropriation. In the State system of higher education, the University of Connecticut receives more State support than any other State institution of higher education. The annual State appropriation the University receives is in the form of a block grant and is allotted quarterly. The University has independent authority to purchase goods and services; hire, fire and promote administrators, faculty, and staff; and plan, design, and construct capital projects. Public Act 22-118 appropriated $254.6 million to the University for Fiscal Year 2023. In addition, the University expects to receive fringe benefits in the amount of $191.3 million for a total of State support of $445.9 million. This amount does not include an additional $39.2 million that the University will receive in FY23 from the State's Federal American Rescue Plan Act of 2021 ("ARPA") allocation which is included in the All Other Revenues category of the budget.

No assurance can be made that the State will not change the Fiscal Year 2023 funding prior to the end of such Fiscal Year. Any State funding cuts are expected to be managed by the University through reduced hiring, reduced operating costs, fewer projects, and other deficit mitigation efforts.

Schedule of State Operating Support and Fringe Benefits to the University for Fiscal Years 2019 – 2023 (in millions)

Fiscal Year	Operating Appropriations[1] and Allotments	Fringe Benefits/ Adjustments	Operating Total
2019	$195.0	$161.7	$356.7
2020	200.0	176.7	376.7
2021	208.8	189.0	397.8
2022	248.6	210.9	459.5
2023	254.6	191.3	445.9

[1] Excludes State Debt Service Commitment for UCONN 2000 general obligation bonds issued to fund University capital projects.

State Support of the University - Bond Issuance

In addition to appropriating funds for the general operating support of the University, the State has authorized its general obligation bonds to fund capital projects of the University.

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State Legislative Bond Authorizations for the University for Fiscal Years 1996 - 2027

Fiscal Year	State General Obligation Bonds		UConn 2000 Bonds[(1)]	Total
1996	$ 18,000,000	(2)	$ 112,542,000	$ 130,542,000
1997	9,400,000	(2)	112,001,000	121,401,000
1998			93,146,000	93,146,000
1999			64,311,000	64,311,000
2000	2,000,000	(3)	130,000,000	132,000,000
2001	20,000,000	(3)	100,000,000	120,000,000
2002			100,000,000	100,000,000
2003			100,000,000	100,000,000
2004			100,000,000	100,000,000
2005 (4)			100,000,000	100,000,000
2006			79,000,000	79,000,000
2007			89,000,000	89,000,000
2008	8,000,000	(5)	115,000,000	123,000,000
2009			140,000,000	140,000,000
2010			-	-
2011			138,800,000	138,800,000
2012	23,000,000	(6)(7)	157,200,000	180,200,000
2013	20,000,000	(6)	143,000,000	163,000,000
2014			204,400,000	204,400,000
2015	131,500,000	(6)	315,500,000	447,000,000
2016	25,000,000	(8)	312,100,000	337,100,000
2017	16,000,000	(8)	240,400,000	256,400,000
2018			200,000,000	200,000,000
2019			200,000,000	200,000,000
2020			197,200,000	197,200,000
2021			260,000,000	260,000,000
2022	6,460,000	(9)	215,500,000	221,960,000
2023	51,729,200	(9)(10)	125,100,000	176,829,200
2024	14,489,200	(9)	84,700,000	99,189,200
2025	9,220,000	(9)	56,000,000	65,220,000
2026	4,201,600	(9)	14,000,000	18,201,600
2027			9,000,000	9,000,000
Total	**$ 359,000,000**		**$ 4,307,900,000**	**$ 4,666,900,000**

(Footnotes on the following page)

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[1] Secured by State Debt Service Commitment. As of the date of delivery of the 2022 Bonds, the University will have $340,200,000 of its General Obligation Bonds secured by the State Debt Service Commitment authorized and unissued.

[2] For Babbidge Library on the Storrs campus.

[3] For the development of a new downtown campus for the University of Connecticut in Waterbury.

[4] For Fiscal Year 2005, $50,000,000 was authorized under UCONN 2000 Phase II and an additional $50,000,000 was authorized under UCONN 2000 Phase III. Fiscal Years 2005-2027 represent authorizations under UCONN 2000 Phase III including UConn Health projects. No UConn Health projects were authorized in Phase I or Phase II.

[5] Special Act 04-2 authorized the issuance of $8,000,000 of State General Obligation Bonds for renovation, alterations and improvements to the University's Law Library in Hartford which was approved by the State Bond Commission on March 28, 2008.

[6] Public Act 11-57, as amended by Public Act 14-98, authorized the issuance of $169,500,000 of State General Obligation Bonds to create a Technology Park on the Storrs Campus. $18,000,000 was approved by the State Bond Commission on August 26, 2011. $20,000,000 was approved by the State Bond Commission on April 26, 2013. $131,500,000 was approved by the State Bond Commission on May 11, 2015.

[7] Public Act 11-75 authorized $5,000,000 in State General Obligation Bonds for a comprehensive cancer center and the University sponsored health disparities institute which was approved by the Bond Commission on October 28, 2011.

[8] Public Act 15-1 (sections 2 & 21) authorized the issuance of $41,000,000 of State General Obligation Bonds for the UConn Health Integrated Electronic Medical Record (EMR). The Integrated EMR will provide the health information technology required for compliance with federal and state regulations, enable interoperability and improve efficiencies for all UConn Health entities with access to clinical data updated in real-time in a single patient database. $25,000,000 was approved by the State Bond Commission on January 29, 2016, and $16,000,000 was approved on February 1, 2017.

[9] Public Act 21-111 (sections 99 & 100) authorized the issuance of $41,600,000 of State General Obligation Bonds for the University to commence a research faculty recruitment and hiring program. This program is expected to support economic development in the State through faculty research and promote core sectors of the State economy by accelerating the pace of applied research and development. To date, these authorizations have not been approved by the State Bond Commission.

[10] Public Act 22-118 (section 307) authorized $40,000,000 in State General Obligation Bonds for the University of Connecticut Health Center: Deferred maintenance, code compliance and infrastructure improvements. To date, this authorization has not been approved by the State Bond Commission.

Grants and Contracts

Revenue from federal, state, local and non-governmental grants and contracts totaled $183.9 million in Fiscal Year 2021, representing 26.0% 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, 2021, included in this Appendix A. If nongovernmental grants are excluded, the revenue from federal, state, and local governmental grants and contracts, totaled $163.9 million for this time period, which represented 23.2% of total operating revenues.

Grants and Contracts
for Fiscal Years 2017 - 2021
(In Millions of Dollars)

Fiscal Year	Amount*
2017	$145.3
2018	144.4
2019	163.1
2020	166.9
2021	183.9

*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 $36.2 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.[1]
Summary of Total Assets, Revenue and Expenditures
For Fiscal Years 2018 -2022 (in thousands)

Assets	**2018**	**2019**	**2020**	**2021**	**2022 (Unaudited)**
Endowment assets	$ 446,492	$ 458,743	$ 458,742	$ 610,362	$ 591,768
All other assets	113,857	138,866	158,750	159,420	166,819
Total Assets	**$ 560,349**	**$ 597,609**	**$ 617,492**	**$ 769,782**	**$ 758,587**
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	(6,602)
Other revenues	1,591	1,669	1,050	3,332	811
Total Support and Revenue	**$110,041**	**$ 75,007**	**$ 75,585**	**$ 210,568**	**$ 62,130**
Expenditures					
Disbursements to and on behalf of the University	$ 28,396	$ 35,344	$ 26,049	$ 33,649	$ 36,165
Foundation expenses (development, asset mgt, admin)	22,790	24,049	23,081	22,668	24,103
Total Expenditures	**$ 51,186**	**$ 59,393**	**$ 49,130**	**$ 56,317**	**$ 60,268**
Support and Revenues Over/Under Expenditures	**$ 58,855**	**$ 15,614**	**$ 26,455**	**$ 154,251**	**$ 1,862**

[1] Audited FY22 figures are not yet available

University Indebtedness

The UCONN 2000 Act, as amended, empowers the University to borrow money and issue securities to finance the acquisition, construction, reconstruction, improvement or equipping of any UCONN 2000 project and to provide for the security and payment of those securities and to refund such securities. Toward this purpose, to date, the University has issued General Obligation Bonds and Special Obligation Bonds, entered a privately placed Governmental Lease Purchase Agreement, and assumed a promissory note associated with the purchase of the Nathan Hale Inn on the Storrs Campus. As of the date of delivery of the 2022 Bonds, certain General Obligation Bonds, Special Obligation Bonds, and the Governmental Lease Purchase Agreement remain outstanding. The promissory note associated with the purchase of the Nathan Hale Inn was retired on December 1, 2016.

The University of Connecticut Special Obligation Bonds are issued pursuant to the Special Obligation Indenture of Trust, as amended (the "Special Obligation Master Indenture"). The Board of Trustees approved the Special Obligation Master Indenture on November 8, 1996. Unlike the UCONN 2000 General Obligation Bonds that are paid from the State's General Fund, debt service on the Special Obligation Bonds is paid from certain pledged revenues, including student fees of the University as defined in the Special Obligation Master Indenture. To date, the University has authorized $374,180,000 of Special Obligation Bonds to finance a portion of the cost of ten UCONN 2000 projects. See "GOVERNANCE, ACADEMIC PROGRAMS AND CAMPUSES – Status of UCONN 2000 Projects" in this Appendix A. As of the date of delivery of the 2022 Bonds, principal outstanding of Special Obligation Bonds will be $183,605,000, including the 2022 Bonds. In addition, $33,000,000 of Special Obligation Bonds remain authorized and unissued. On August 3, 2022 the Board of Trustees approved a capital budget for the construction of a new South Campus Residence Hall, estimated to be funded in part with $124,000,000 of Special Obligation Bonds. To date, such bonds have not been authorized for issuance by the Board of Trustees or the Governor.

The University of Connecticut General Obligation Bonds are issued pursuant to the Master Indenture of Trust, as amended (the "Master Indenture"), are secured by the full faith and credit of the University and are additionally secured by the pledge of and a lien upon the State Debt Service Commitment. The State Debt Service Commitment is defined by the Act and the Master Indenture as the commitment by the State to pay an annual amount for the punctual payment of Special Debt Service Requirements on certain securities issued as general obligations of the University, as the same shall arise and shall become due and payable. Special Debt Service Requirements include, among other things, the principal and sinking fund installments for and interest accruing on such General Obligation Bonds. As of the date of delivery of the 2022 Bonds, principal outstanding of the University's General Obligation Bonds will be $1,659,600,000.

A privately placed Governmental Lease Purchase Agreement (the "Lease"), with Caterpillar Financial Services Corporation, a Delaware Corporation, is a general obligation of the University entered into to finance the cogeneration facility portion of the UCONN 2000 Heating Plant Upgrade project. The cogeneration facility is part of the UCONN 2000 Heating Plant Upgrade project, as defined under the UCONN 2000 Act, which generates substantially all the needs for electrical power, heating, and cooling on the main campus at Storrs. The $81,900,000 original principal amount of the Lease, comprised of $75,000,000 executed in 2003, and, pursuant to an amendment, an additional $6,900,000 executed in 2005, is a UCONN 2000 debt obligation entered into under certain separately negotiated documents and agreements and is not secured by the Master Indenture or the Special Obligation Master Indenture nor is it secured by the State Debt Service Commitment. Subsequent to 2005, the University amended the Lease twice to lower interest rates and reduce its monthly Lease payments. As of January 2017, the Lease interest rate is 2.22% resulting in a monthly Lease payment of $461,645. As of the date of delivery of the 2022 Bonds, the principal amount of the Lease outstanding will be $16,916,104 with a final maturity date of December 29, 2025. The UCONN 2000 Heating Plant Upgrade project also has been partially funded with General Obligation Bonds of the University secured by the State Debt Service Commitment.

In addition to UCONN 2000 indebtedness, the University has certain other limited indebtedness; see Schedule 1, "AUDITED FINANCIAL STATEMENTS OF THE UNIVERSITY FOR FISCAL YEAR ENDED JUNE 30, 2021".

The following schedule sets forth the debt service payments to be made in each fiscal year on the Special Obligation Bonds issued and outstanding as of the date of delivery of the 2022 Bonds, including the 2022 Bonds.

Debt Service on Special Obligation Bonds
as of November 15, 2022

	AMOUNT OUTSTANDING			2022 REFUNDING SERIES A BONDS			TOTAL SPECIAL OBLIGATIONS		
FYE June 30	Principal	Interest	Debt Service	Principal	Interest	Debt Service	Principal	Interest	Debt Service
2023	$ -	$ 3,216,163	$ 3,216,163	$ -	$ 1,312,875	$ 1,312,875	$ -	$ 4,529,038	$ 4,529,038
2024	2,785,000	6,362,700	9,147,700	6,420,000	2,465,250	8,885,250	9,205,000	8,827,950	18,032,950
2025	2,910,000	6,234,875	9,144,875	6,755,000	2,135,875	8,890,875	9,665,000	8,370,750	18,035,750
2026	3,045,000	6,100,550	9,145,550	7,095,000	1,789,625	8,884,625	10,140,000	7,890,175	18,030,175
2027	3,200,000	5,944,425	9,144,425	7,475,000	1,425,375	8,900,375	10,675,000	7,369,800	18,044,800
2028	3,365,000	5,780,300	9,145,300	7,850,000	1,042,250	8,892,250	11,215,000	6,822,550	18,037,550
2029	3,535,000	5,607,800	9,142,800	8,245,000	639,875	8,884,875	11,780,000	6,247,675	18,027,675
2030	3,720,000	5,426,425	9,146,425	8,675,000	216,875	8,891,875	12,395,000	5,643,300	18,038,300
2031	3,910,000	5,235,675	9,145,675				3,910,000	5,235,675	9,145,675
2032	4,110,000	5,035,175	9,145,175				4,110,000	5,035,175	9,145,175
2033	4,290,000	4,860,031	9,150,031				4,290,000	4,860,031	9,150,031
2034	4,475,000	4,675,763	9,150,763				4,475,000	4,675,763	9,150,763
2035	4,705,000	4,440,381	9,145,381				4,705,000	4,440,381	9,145,381
2036	4,955,000	4,193,000	9,148,000				4,955,000	4,193,000	9,148,000
2037	5,185,000	3,962,875	9,147,875				5,185,000	3,962,875	9,147,875
2038	5,425,000	3,721,000	9,146,000				5,425,000	3,721,000	9,146,000
2039	5,670,000	3,479,063	9,149,063				5,670,000	3,479,063	9,149,063
2040	5,925,000	3,224,625	9,149,625				5,925,000	3,224,625	9,149,625
2041	6,225,000	2,920,875	9,145,875				6,225,000	2,920,875	9,145,875
2042	6,545,000	2,601,625	9,146,625				6,545,000	2,601,625	9,146,625
2043	6,880,000	2,266,000	9,146,000				6,880,000	2,266,000	9,146,000
2044	7,230,000	1,913,250	9,143,250				7,230,000	1,913,250	9,143,250
2045	7,610,000	1,532,738	9,142,738				7,610,000	1,532,738	9,142,738
2046	8,020,000	1,122,450	9,142,450				8,020,000	1,122,450	9,142,450
2047	8,460,000	689,850	9,149,850				8,460,000	689,850	9,149,850
2048	8,910,000	233,888	9,143,888				8,910,000	233,888	9,143,888
Total[1]	**$ 131,090,000**	**$ 100,781,500**	**$ 231,871,500**	**$52,515,000**	**$11,028,000**	**$63,543,000**	**$183,605,000**	**$ 111,809,500**	**$ 295,414,500**

[1] Totals may not sum due to rounding.

See “PROJECTED DEBT SERVICE AND DEBT SERVICE COVERAGE” the front section of the Official Statement for the historical and projected coverage levels for Pledged Revenues and the debt service coverage calculation for the Bonds.

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The following schedule sets forth the debt service payments to be made in each fiscal year on the General Obligation Bonds issued and outstanding by the University as of the date of delivery of the 2022 Bonds.

Debt Service on General Obligation Bonds[1]
as of November 15, 2022

Fiscal Year Ending June 30th	Principal	Interest	Total Debt Service
2023	$ 111,225,000	$ 40,047,747	$ 151,272,747
2024	130,455,000	74,113,144	204,568,144
2025	125,255,000	67,687,388	192,942,388
2026	121,395,000	61,579,263	182,974,263
2027	117,675,000	55,535,013	173,210,013
2028	113,795,000	49,724,013	163,519,013
2029	113,905,000	44,028,888	157,933,888
2030	107,240,000	38,541,163	145,781,163
2031	102,095,000	33,653,275	135,748,275
2032	95,635,000	28,570,313	124,205,313
2033	95,635,000	23,875,950	119,510,950
2034	95,635,000	19,560,625	115,195,625
2035	81,550,000	15,288,488	96,838,488
2036	70,545,000	11,560,088	82,105,088
2037	57,465,000	8,163,713	65,628,713
2038	41,905,000	5,472,138	47,377,138
2039	28,105,000	3,602,238	31,707,238
2040	19,365,000	2,459,038	21,824,038
2041	19,365,000	1,490,788	20,855,788
2042	11,355,000	539,138	11,894,138
Totals [2]	**$ 1,659,600,000**	**$ 585,492,403**	**$ 2,245,092,403**

[1] Secured by State Debt Service Commitment, net of bonds previously refunded.
[2] Totals may not sum due to rounding.

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The following table sets forth all bonds and capital leases issued by the University under the UCONN 2000 program and outstanding as of the date of delivery of the 2022 Bonds, including the 2022 Bonds.

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	$ 15,466,012	December 18, 2003
Governmental Lease Purchase Agreement	6,900,000	1,450,092	August 15, 2005
Total[11][12]		**$ 16,916,104**	

-Footnotes on the following page-

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[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.

Employee Data

Faculty and Staff. As of Fall 2021, the University had 4,929 full-time equivalent ("FTE") employees. Full and part-time faculty accounted for 1,944 FTE employees. The University hires adjunct lecturers on a semester-by-semester basis, as needed, who are not included in the above employee count. In Fall 2021, 56.1% of full-time teaching faculty were tenured, 18.1% were tenure track and the remaining were non-tenure track faculty. The average age range of full-time faculty was 45-49. Additionally, the University has 974 FTE graduate student assistants who receive stipends; and other non-permanent employees (i.e., special payroll, students) not captured in any of the prior categories.

Six bargaining units represented approximately 4,546 FTE union members as of Fall 2021. Approximately 8% of university faculty and staff were non-union employees. The University bargains with four units covering 3,874 FTE employees: the University of Connecticut Chapter of the American Association of University Professors (AAUP), the University of Connecticut Professional Employees Association (UCPEA), the Graduate Employee Union (GEU-UAW), and the Postdoctoral Research Associates Union (UAW-Postdocs). The remaining four unions covering 671 FTE employees bargain directly with the State Office of Labor Relations. Law school faculty, University exempt (management) and certain temporary and part-time employees are not represented by bargaining units.

The University has statutory authority to negotiate and enter into collective bargaining agreements with the four labor unions noted above. The collective bargaining agreements with the AAUP and UCPEA have contracts with the term of July 1, 2021 through June 30, 2025 and each unit has a wage re-opener for fiscal year beginning July 1, 2024. The agreement with the GEU-UAW began July 1, 2022 through June 30, 2026. The UAW-Postdocs contract is in effect until June 30, 2024.

Retirement Plans and Post-Employment Benefits. Most State employees are eligible to receive retirement benefits under a State retirement plan. Various retirement plans are available for University employees none of which are administered by the University. Additional information on retirement benefits may be found in the Notes to the University's financial statements included as Schedule 1 herein.

Insurance and Litigation

Insurance. The University, as an agency of the State of Connecticut, relies upon sovereign immunity for protection from liability. However, as an agency of the State, the University participates in the State's program of liability coverage. The State has a self-insured retention of $4,000,000. The State purchases excess liability policies beyond its self-insured retention. The State also purchases other coverages to mitigate risk, including property and casualty insurance for all State agencies. The State pays the premiums for such insurance policies. The University may request disbursement of insurance proceeds which the State receives from a claim arising out of the loss of University property. The Act authorizes the University to purchase insurance for its assets, actions, and activities. With regard to design and construction projects, the University requires errors and omissions insurance from the lead project design professional (project architect of record) and selected sub-consultants on all construction projects. The University requires that contractors engaged on all construction projects provide and maintain general liability, automobile, and statutory workers' compensation coverage. With regard to builder's risk policies and protection of construction work in progress for existing buildings, the State, through its property policy provides builders risk coverage subject to a deductible. The University requires the contractors to provide builders risk insurance for the construction of new buildings. The University directly purchased workers' compensation insurance as part of an owner-controlled insurance program (OCIP) for select UCONN 2000 Health projects, and coverage for products and completed operations remains in place.

Litigation. The University (not including UConn Health) is currently defending various legal matters in state and federal courts. None of those suits, either individually or in the aggregate, are likely to have a material adverse impact on the University's financial position, net of reserves.

UNIVERSITY OF CONNECTICUT HEALTH CENTER

An organizational unit of the University of Connecticut, UConn Health is a comprehensive State-owned academic Health Center, which has the traditional tripartite missions of education, patient care and research. In conjunction with this mission, UConn Health is focused on community service and public health. Its main campus is located in a complex of buildings in suburban Farmington, Connecticut. UConn Health was established in 1961 and is currently comprised of the School of Medicine, the School of Dental Medicine (and their associated Educational Clinics), the UConn John Dempsey Hospital, the University Medical Group, University of Connecticut Finance Corporation (and subsidiaries), research laboratories, health sciences/medical library and administrative and other support facilities. It operates more than 400 clinical and educational programs throughout Connecticut and is a referral center for persons with certain illnesses requiring complex patient care. As of Fall 2022, UConn Health had approximately 650 professional students in the Schools of Medicine and Dental Medicine, 300 graduate students in Master's and Doctoral programs, and 780 residents, interns, and postdoctoral fellows. It also provides an extensive array of continuing education activities to health professionals throughout the State. UConn Health submits separate operating and capital budgets to the Governor and the General Assembly and receives its appropriation and allotment separate from the University. See "UNIVERSITY FINANCES – Budget and Budgeting Procedure of the University" in this Appendix A.

GOVERNANCE, ACADEMIC PROGRAMS AND CAMPUSES

Board of Directors

Composition. The Board of Directors of UConn Health consists of up to 18 members. Pursuant to Section 35 of Public Act No. 01-173, the Board of Trustees for the University created the board of directors for the governance of UConn Health and has determined such duties and authority as it deemed necessary and appropriate to delegate to said board of directors. The Board consists of nine members at large appointed by a nominating committee of the Board of Directors, three members appointed by the Chairperson of the Board of Trustees, three members appointed by the Governor and three voting ex-officio members (the Secretary of the State's Office of Policy and Management, the President of the University and the Commissioner of Public Health or their designees).

Membership. Currently, one position on the Board of Directors is vacant. The name, term, position and affiliation or profession of each member of the Board of Directors is as follows:

Name	Term Ends	Position	Affiliation/Profession
Kenneth Alleyne	2026	Member	Orthopedic Surgeon, Eastern Orthopedics
Francis X. Archambault Jr.	2021*	Member	Retired Emeritus Professor, University of Connecticut
Patricia Baker	2031	Appointed by the Governor	Retired President and CEO of the CT Health Foundation
Richard M. Barry	2016*	Secretary	Deputy Chief Risk Officer, Key Bank
Andy F. Bessette	2016*	Appointed by Chairperson, Board of Trustees	EVP & CAO, The Travelers Companies, Inc.
Mark Boxer	2024	Appointed by Chairperson, Board of Trustees	Executive Vice President and Chief Operating Officer, University of Hartford
Richard T. Carbray Jr.	2028	Appointed by Chairperson, Board of Trustees	Owner, RTC Pharmaceutical Consulting
Cheryl A. Chase	2022	Vice-Chair	Co-President, Principal and General Counsel, Chase Enterprises
Sanford Cloud, Jr.	2020*	Chair; Appointed by Chairperson, Board of Trustees	Chairman and CEO, The Cloud Company, LLC
Britt-Marie K. Cole-Johnson	2025	Member	Partner, Robinson & Cole
Joel Freedman	2021*	Appointed by the Governor	Owner, Freedman Consulting, LLC
Claudio Gualtieri		Ex-Officio	Undersecretary, Office of Policy & Management, State of Connecticut
Timothy A. Holt	2025	Member	Retired Director, Virtus Investment Partners and MGIC Investment
Manisha Juthani, MD		Ex-officio	Commissioner, Connecticut Department of Public Health
Radenka Maric		Ex-officio	President, University of Connecticut
Wayne Rawlins	2021*	Member	Vice President & Senior Medical Director of Healthcare Services, ConnectiCare, Inc.
Teresa M. Ressel	2018*	Appointed by the Governor	Private Company Management

* Board members continue to serve until re-appointed or replacements are appointed.

Duties of the University of Connecticut Health Center Board of Directors. Subject to duties outlined by the University's Board of Trustees, the Board is authorized to establish rules and general policies for the governance of UConn Health and its academic programs. The Board of Directors manages and directs the expenditures of UConn Health. The Board of Directors is required by law to review and approve UConn Health budget requests and propose facility, planning and capital expenditure budget priorities.

Officers of the Board of Directors. The officers of the Board of Directors are the Chair of the Board, the Vice-Chair, the Secretary, and the Treasurer (vacant). The Chair is privileged to make or discuss motions and to vote on all questions.

Academic Programs of the School of Medicine and School of Dental Medicine

Post Baccalaureate Programs. The Schools of Medicine and Dental Medicine each conduct a four-year post baccalaureate program leading to the MD and DMD degrees, respectively.

Residency. The School of Medicine and the School of Dental Medicine each offer residency programs, which provide advanced training in preparation for licensure practice and certification within a field of specialization. Approximately 780 medical and dental residents and fellows populate UConn John Dempsey and other regional hospitals.

Graduate Programs. Programs leading to either a PhD or Master's degree in medically related sciences are offered in nine biomedical sciences and in community health and dental sciences. There are also programs of post-doctoral education of biomedical scientists.

Continuing Education. The schools provide facilities and/or opportunities for the practicing professionals to continue their education by offering a wide variety of courses, lectures, seminars, and visiting lectureships.

Research. The faculty of the Schools of Medicine and Dental Medicine are generally expected to develop an active research program, both to advance knowledge within their field of expertise and to enhance the quality of the educational program. Approximately $122.7 million was generated in Fiscal Year 2022 by the research activities of the various faculties, which supplements appropriations from the State.

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

Fall	MCAT	DAT
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 - 2021

Year	School of Medicine	School of Dental Medicine
2017	99%	100%
2018	97	100
2019	97	100
2020	99	100
2021	98	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 academic year 2023, 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

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

School of Dental Medicine

	2020	2021	2022	2023	2024
Tuition	$35,810	$37,063	$38,360	$39,703	Not avail
Fees	2,627	2,719	2,939	3,038	Not avail
Total	**$38,437**	**$39,782**	**$41,299**	**$42,741**	Not avail

Percentage of Enrollment by Residence Status
Fall 2018 - 2022

	School of Medicine		School of Dental Medicine	
Fall	In-State	Out-of-State	In-State	Out-of-State
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

University of Connecticut Health Center Clinical Operations

Clinical Operations, which includes hospital, physician, pharmacy, and dental practice operations, is the vehicle through which UConn Health provides patient care and contracts with managed care and other health care payors. Clinical Operations also does business through the University of Connecticut Health Center Finance Corporation (the "Finance Corporation"), a statutory corporation authorized to enter joint ventures, other affiliations, and contracts in furtherance of the operations of the clinical programs. Through this affiliation, the Finance Corporation engages in joint ventures and other arrangements and operates a separate pharmacy, UConn Health Pharmacy Services Inc. (UHPSI).

UConn John Dempsey Hospital. John Dempsey Hospital (the "Hospital") has 234 licensed beds (186 staffed), and is located in Farmington, a suburb of Hartford. It serves as the primary teaching hospital for the

Schools of Medicine and Dental Medicine and participates in the clinical education of students from other health profession education programs. As the primary teaching hospital, it contains a full range of services, including surgery, medicine, cardiac care, psychiatry, and obstetrics and gynecology. The Hospital is also the focus of specialized programs, including programs dealing with arthritis, lupus, alcoholism, cancer, hemophilia, high-risk pregnancies, dental diseases in the handicapped, and taste and smell deficiencies. The Hospital also provides emergency dental care through an agreement with the Educational Clinics.

UConn Medical Group. The medical faculty practice of UConn Health ("UMG") is a key component of UConn Health's integrated health care delivery system. UMG includes an extensive array of ambulatory clinics representing a range of specialty and primary care fields. UMG's operation is an essential element for the education and training of medical students that enables the University of Connecticut School of Medicine to accomplish its mission. Medical students, for example, learn diagnosis and treatment by training side-by-side with faculty clinicians as these doctors see patients.

University Dentists. University Dentists is the dental faculty practice at UConn Health. Together with the Educational Clinics, these entities comprise what is called the Dental Clinics. UD provides services in 8 different specialties such as endodontics, periodontics, prosthodontics, oral pathology, and oral surgery. The practice is open to the public.

Educational Clinics. The Educational Clinics offer comprehensive dental care provided by dental students (pre-doctoral students) in multidisciplinary clinics or by dental residents (postdoctoral students) receiving advanced or specialty training under the supervision of licensed clinical faculty. The Predoctoral Teaching Program is designed to train dental students to be future general dentists or specialists. Dental care provided in the predoctoral program is provided by students under the supervision of experienced dentists. The Postdoctoral Teaching Program is a practice comprised of licensed dentists who spend 2 to 6 years under intensive training to be specialists in endodontics, periodontics, oral surgery, orthodontics, pediatric dentistry, oral radiology, prosthodontics, or advanced education general dentistry (AEGD).

Finance Corporation. The Finance Corporation, working through its subsidiary entities University of Connecticut Health Center Circle Road Corporation and UHPSI, provides operational support to the other clinical entities. The Finance Corporation provides contracting and operational flexibility which allow clinical operations to operate more as a traditional business instead of a state entity. The Finance Corporation and its Circle Road subsidiary help Clinical Operations meet their space needs through maintaining the Outpatient Pavilion and other clinical space arrangements. The Finance Corporation also operates the UHPSI, which provides pharmaceuticals to outpatients primarily from the various clinics related to UConn Health.

Patient Service Revenue

Pursuant to the Master Indenture, patient revenues or any other revenues derived from clinical operations of the University are not pledged towards the repayment of Bonds.

Strategic Plan Initiative

Our Mission. UConn Health is dedicated to helping people achieve and maintain healthy lives and restoring wellness/health to maximum attainable levels.

In this quest, UConn Health will continuously enable students, professionals, and agencies to promote the health of Connecticut's citizens. UConn Health will consistently pursue excellence and innovation in the education of health professionals; the discovery, dissemination, and utilization of new knowledge; the provision of patient care; and the promotion of wellness.

Market Assessment and Regional Planning. UConn Health employs a variety of means to assess the market. Using data available from the Connecticut Hospital Association and the Office of Health Care Access, UConn John Dempsey Hospital assesses its performance relative to other hospitals and in terms of market share.

Both UConn John Dempsey Hospital and UConn Medical Group use publicly available and purchased data sets relative to population and disease trends, utilization rates for services, physician, and service demand. UConn Health executives and product line leaders, both physician and non-physician staff, through professional associations, networking with peers and patient interactions, supply data, information and expertise that is used for assessment and planning. Public input is sought through formal and informal interactions with UConn Health Board of Directors, the UConn Board of Trustees, the State Legislature, Town of Farmington, Connecticut officials, community leaders, patients and the many people who attend the public programs of UConn Health. Strategic plans are developed given the market assessment, in combination with an assessment of the strengths of UConn Health programs and staff. UConn Health has focused efforts on programs that integrate the academic, research, and clinical strengths of the institution to serve the health care needs of the citizens of the State. To best extend the access to UConn Health services, UConn Health has established and continues to seek relationships with other health care providers including and especially primary care providers.

UConn Health is expected to continue to be challenged by managed care and federal reimbursement rates. UConn Health has adopted a strategy of actively monitoring the market and pursuing agreements with all managed care payors. UConn Health has entered into participation agreements with most of the major HMOs and PPOs. Payors are increasingly interested in shared risk arrangements with providers. UConn Health has executed a number of shared risk agreements and will likely be requested to do more. UConn Health is actively developing programs and systems necessary to accept and manage risk.

Bioscience Connecticut. UConn Health has benefitted from the major economic revitalization plan called Bioscience Connecticut (Public Act 10-104, as amended by Public Act 11-75). Bioscience Connecticut's aim is to make the State a leader in bioscience research and in turn, jumpstart the State's economy by creating jobs and generating long-term economic growth. The Bioscience Connecticut plan was funded with $592 million of bond funds. Construction work related to the initiative is now complete.

In October 2011, the Connecticut General Assembly adopted legislation, which established the Connecticut Bioscience Collaboration Program (the "Collaboration") and authorized $290.7 million of State general obligation bonds to be issued between Fiscal Years 2012 and 2021 and to be deposited in the Connecticut Bioscience Collaboration Fund. This fund is held and administered by Connecticut Innovations Incorporated, a separate public instrumentality of the State of Connecticut, to support the establishment of a bioscience cluster anchored by a research laboratory housed at UConn Health.

In Fiscal Year 2022, $25 million was added to the amount of bonds which may be issued by the University under the UCONN 2000 program for deferred maintenance projects on the UConn Health campus. As of Fiscal Year-end 2022, substantially all of the funds for UConn Health have been allocated.

Employment

UConn Health employed approximately 4,600 full-time equivalent (FTE) employees as of December 2021. UConn Health employees are State employees. The terms and conditions of employment of almost 4,000 FTE employees as of winter 2021 are governed by collective bargaining agreements with nine bargaining units. The State bargains with all bargaining units representing UConn Health employees except the University Health Professions (the "UHP") and the American Association of University Professors (the "AAUP"). UConn Health has statutory authority to negotiate and enter into collective bargaining agreements with the labor unions that represent its faculty (AAUP) and non-teaching professionals (UHP). UConn Health has reached agreement on successor contracts with these unions. The remaining seven unions bargain directly with the State. University exempt (management) and certain temporary and part-time employees are not represented by bargaining units.

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, 2017, 2018, 2019, 2020 and 2021.

Statement of Revenues, Expenses and Changes in Net Position *($ in thousands)*

	2017	2018	2019	2020	2021
OPERATING REVENUES					
Student tuition and fees[1]	$ 17,499	$ 18,613	$ 20,655	$ 21,636	$ 23,475
Patient services[2]	539,777	580,697	534,494	513,608	628,899
Federal grants and contracts	58,148	50,748	58,196	58,055	68,185
Nongovernmental grants and contracts	29,009	29,337	30,016	27,872	24,977
Contract and other operating revenues	114,284	127,188	159,745	162,725	155,419
Total operating revenues	758,717	806,583	803,106	783,896	900,955
OPERATING EXPENSES					
Educational and General					
Instruction	169,130	179,948	157,396	170,526	178,910
Research	59,400	56,102	52,832	55,173	57,554
Patient services	713,342	747,637	663,701	846,526	966,535
Academic support	19,186	19,322	15,173	20,087	24,986
Institutional support	82,233	112,126	126,922	89,592	159,055
Operations and maintenance of plant	37,295	38,223	37,659	25,112	26,886
Depreciation	52,046	52,637	72,575	72,893	70,375
Student aid	194	364	71	25	39
Total operating expenses	1,132,826	1,206,359	1,126,329	1,279,934	1,484,340
Operating (loss) income	(374,109)	(399,776)	(323,223)	(496,038)	(583,385)
NONOPERATING REVENUES (EXPENSES)					
State appropriations	278,211	279,513	250,846	296,520	330,872
Transfer to State and outside Programs	0	0	(1,991)	0	0
Gifts	4,079	5,706	6,146	6,950	3,496
COVID-19 Relief Funds	0	0	0	22,518	15,598
Interest income	104	654	1,385	600	31
Interest on capital asset – related debt	(10,214)	(9,909)	(9,619)	(9,354)	(9,028)
Net non-operating revenues	272,180	275,964	246,767	317,234	340,969
Income before other revenues, expenses, gains or losses	(101,929)	(123,812)	(76,456)	(178,804)	(242,416)
Loss on disposal	(989)	(3,092)	(1,898)	(332)	(196)
Transfer from Affiliate	0	0	0	0	2,000
Capital appropriations	43,479	88,806	13,000	0	680
Total other revenues	42,490	85,714	11,102	(332)	2,484
Increase (decrease) in net position	(59,439)	(38,098)	(65,354)	(179,136)	(239,932)
NET POSITION					
Net position-beginning of year	185,771	126,332	(1,014,953)	(1,120,178)	(1,299,314)
Cumulative impact of implementing GASB 68 and 71	0	(1,103,187)	0	0	0
Cumulative effect of accounting changes and error corrections	0	0	(39,871)	0	0
Net position-beginning of year as restated	0	(976,855)	(1,054,824)	(1,120,178)	(1,299,314)
Net position-end of year	$ 126,332	$ (1,014,953)	$ (1,120,178)	$ (1,299,314)	$ (1,539,246)

[1] Net of scholarship allowances of $6,205, $5,964, $6,786, $7,359, and $6,874 respectively.
[2] Net of charity care of $310, $422, $396, $1,345, and $3,658 respectively.

Note: Although governed by a single Board of Trustees with one chief executive officer, the University and UConn Health maintain separate budgets and are by statute separate entities for purposes of maintaining operating funds and State appropriations. See "UCONN HEALTH FINANCES – Budget and Budgeting Procedure of UConn Health".

Budget and Budgeting Procedure of UConn Health

UConn Health submits a separate biennial operating budget to the Governor and General Assembly through the Secretary of the Office of Policy and Management. The operating budget request sets forth a proposed expenditures plan for the amount necessary to meet cost increases while providing a constant level of service. The budget may also include funds for expansion of UConn Health programs. The operating budget includes various revenue sources including patient services, federal and private grant funding, and State appropriations. The General Assembly appropriates and allocates funds directly to UConn Health. The Governor may reduce State agency allotments by not more than five percent unless such reduction is approved by the Appropriations Committee of the General Assembly which shall, within ten days, approve or reject such reduction. UConn Health's Board of Directors approves annually the Unrestricted Operating Budgets for UConn Health, which then must be approved by the University's Board of Trustees.

During each fiscal year, the Board of Trustees must quarterly submit to the General Assembly and the Office of Policy and Management, a report of the actual expenditures of UConn Health.

UConn Health's capital budget request process is combined with the University as part of UCONN 2000 Phase III for Fiscal Years 2005-2027. Rather than annual requests, the University is required to provide a semi-annual update as to the progress of capital projects approved as part of UCONN 2000.

Fiscal Year 2023 Budget and the Anticipated Financial and Operational Impact on UConn Health from COVID-19.

The current operating environment carries many challenges including sourcing products and staff, ongoing COVID mutations, and the impact of new emerging/re-emerging health threats such as Monkeypox and Polio. Existing geopolitical tensions in both Ukraine and Asia also continue to strain already stretched global supply lines.

These factors put added uncertainty on UConn Health's outlook for Fiscal Year 2023. In contrast to prior years where the focus was on reassuring patients and growing top line revenues, UConn Health must now navigate the challenges of increased demand in an environment of inflation and scarcity. Current budget projections show that most clinical volumes have grown to exceed their pre-COVID levels. As a result, the current Fiscal Year 2023 budget includes $1,568.1 million of revenues. At the same time, the 2023 operating budget reflects significant expenditure growth with an expected total of $1,567.5 million. The resulting expected operational bottom line is $0.6 million. Additional spikes in COVID or other illnesses, to the extent they exceed operational capacity or deter patients from seeking care, would unfavorably impact projections as would significantly increases in supply costs. UConn Health has already implemented annual financial improvement plans and the current year target is $5.0 million of financial/operational improvements through clinical volume initiatives, contract reviews, and targeted expenditure reductions. UConn Health continues to monitor local, national, and global trends for their operational impacts.

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.

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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)

	FY19 Actual	FY20 Actual	FY21 Actual	FY22 Actual (Unaudited)	FY23 Budget
Revenues:					
State Support	$250.9	$296.5	$330.8	$386.7	$418.9
Tuition & Fees	27.4	29.4	30.3	31.1	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	74.7	77.2
Net Patient Care	534.5	513.6	628.9	744.8	752.2
Other Income	91.1	119.5	101.9	185.6	186.6
Total Revenues	**$1,061.5**	**$1,114.1**	**$1,257.1**	**$1,545.5**	**$1,578.1**
Expenses:					
Personal Services	$418.6	$443.1	$465.8	504.6	536.5
Fringe Benefits	256.0	396.0	509.2	330.1	359.3
Medical/Dental House Staff	55.9	58.0	59.9	61.6	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	113.1	23.4
Other Expenses	186.3	170.0	168.3	307.6	362.7
Total Expenses	**$1,139.7**	**$1,289.6**	**$1,467.5**	**$1,544.9**	**$1,577.5**
Net Gain (Loss)	**($ 78.2)**	**($ 175.5)**	**($ 210.4)**	**$ 0.1**	**$ 0.6**

[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 million
for Fiscal Years 2019, 2020, and 2021 respectively.

State Support of UConn Health – Appropriations

The State develops a biennial budget, which includes UConn Health's appropriation requests. The appropriations are applicable to each specific year and the second year's appropriation is subject to review and adjustment. In May 2022, the State's budget for Fiscal Year 2023 was approved by Public Act 22-118. The approved appropriation for UConn Health was $133.7 million for Fiscal Year 2023. In addition to the appropriation, the State allocated $37.7 million for temporary operating support in FY23 and provided $5.1 million in funding for the 27th payroll that will occur in FY23. It also distributes ARPA funds for COVID-19 revenue losses in the amount of $72.7 million for FY23.

Grants and Contracts

Revenue from federal, state, local and non-governmental grants and contracts totaled $93.2 million in Fiscal Year 2021, representing 10.3% 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, 2021, included in this Appendix A.

Governmental Grants and Contracts
for Fiscal Years 2017 - 2021
(In Millions of Dollars)

Fiscal Year	Amount
2017	$87.2
2018	80.1
2019	88.2
2020	85.9
2021	93.2

Professional Liability, Litigation, and Insurance

Professional Liability. Connecticut statutes provide that the State Claims Commissioner may authorize suit against the State, including its agencies (such as UConn Health), if the Claims Commissioner deems it just and equitable and where a claimant has presented an issue of law or fact under which the State, were it a private person, could be liable. State officers and employees cannot be personally liable for damage or injury, not wanton, reckless or malicious, caused in the discharge of their duties or within the scope of their employment.

Litigation. UConn Health is currently defending various legal matters in state and federal courts. None of those suits, net of reserves, are likely to have a material adverse impact on UConn Health's financial position.

Insurance. UConn Health operates a statutorily created insurance fund designated the "Medical Malpractice Fund" (the "Fund"). The Fund is a separate trust fund of the Finance Corporation. The Fund is required by State law to be established and operated by the Finance Corporation and to be held by the State Treasurer. The Fund is charged with all payments required to satisfy claims against UConn Health arising from the delivery of health care services. Since the Fund was established in 1987, UConn Health has not maintained private professional liability insurance. The Fund has paid all claims against UConn Health and the State for professional liability since 1987. The Hospital Group has implemented quality assurance, risk assessment and peer review processes to mitigate, identify and evaluate risks. The Fund is a cash-based fund that maintains the investment balance to cover expected current payments for the fiscal year. To the extent that claims for cases exceed current year premium charged by UConn Health, UConn Health may petition the State to make up the difference. However, operational subsidies from the State and/or UConn Health may be affected by the performance of UConn Health's malpractice program. On June 30, 2021, the Fund had actuarial reserves of approximately $41.7 million and assets of approximately $3.8 million. It was estimated that $2.2 million could be used in Fiscal Year 2022 in settling cases. Current reserves include provision for the initial ruling in *Monroe Lynch, et al v. State of Connecticut*, which awarded the plaintiffs therein $37.6 million in the original judgment. Based on UConn Health's post-trial motions, the award was reduced to $34.6 million. UConn Health has accrued a liability based on the initial judgment as adjusted. UConn Health believes there are substantial grounds for appeal and has filed appeal documents subsequent to June 30, 2021.

UConn Health Long-Term Liabilities

Summarized information on UConn Health long-term liabilities is presented in the breakout of long-term debt presented below.

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.

The following schedules present UConn Health's composition and current year activity related to long-term debt and a breakout of debt service payments to be made in each of UConn Health's upcoming fiscal years related to debt outstanding as of June 30, 2021.

Long-term liability composition and activity for the Fiscal Years ended June 30, 2021, was as follows:

Long-Term Liability for Years Ended June 30, 2021

	June 30, 2020 Balance	Additions	Reductions	June 30, 2021 Balance	Amounts Due Within One Year
Long-Term Debt					
Capital Lease	$ 4,289,524	$0	($1,190,228)	$ 3,099,296	$ 911,488
Mortgage Agreements Primary Institution	185,663,570	-	(7,103,967)	178,559,603	7,478,498
Malpractice Reserve	9,355,000	37,289,005	(4,974,205)	41,669,800	2,218,000
Compensated Absences	44,666,600	30,805,684	(25,581,461)	49,890,823	20,390,379
Pension Liability	**1,018,772,595**	**320,279,548**	**(144,471,911)**	**1,194,580,232**	**0**
OPEB Liability	**1,511,625,530**	**353,430,393**	**(78,790,734)**	**1,786,265,189**	**0**
Total Long-Term Liabilities	**$2,774,372,819**	**$741,804,630**	**($262,112,506)**	**$3,254,064,943**	**$30,998,365**

Estimated cash basis interest and principal requirements for the long-term debt are as follows:

Fiscal Year Ending June 30th	Total Long Term Debt
2022	$15,985,039
2023	15,985,039
2024	15,985,040
2025	14,810,096
2026	13,970,852
Thereafter	192,099,213
Totals	**$268,835,279**

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Schedule 1

Audited Financial Statements of the University of Connecticut for Fiscal Year Ended June 30, 2021

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Annual Comprehensive Financial Report

FOR THE YEAR ENDED JUNE 30, 2021

Included as an Enterprise Fund of the State of Connecticut

UCONN | UNIVERSITY OF CONNECTICUT

Annual Comprehensive Financial Report

For the Year Ended June 30, 2021

Included as an Enterprise Fund of the State of Connecticut

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

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INTRODUCTORY SECTION

LETTER OF TRANSMITTAL

December 7, 2021

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

We are pleased to submit to you the Annual Comprehensive Financial Report (ACFR) of the University of Connecticut for the fiscal year ended June 30, 2021. 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, 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 its 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, 2021, 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 can 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 later to become Connecticut's land-grant college. Today the University serves as the State's flagship institution for higher education, meeting the educational needs of undergraduate, graduate, professional, and continuing education students through the integration of teaching, research, service, and outreach.

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

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

In addition to academics, the University also participates in Division I athletics. UConn has won 23 National Championships in four different sports, with 11 coming from the dominant women's basketball team. The University recently rejoined the Big East Conference for the 2020-2021 season.

Student and Faculty Data
For the 2020-2021 academic year, the number of applications for undergraduate admissions was over 36,000 for just 5,846 seats. Total enrollment in the fall of 2020 was 32,023 students, including nearly 7,700 graduate students. The University's diverse student

population hails from 39 states and 110 countries. Of the 24,371 undergraduates, 52 percent were female, and 40 percent were minority students. The University employs 1,597 full-time faculty members and an additional 750 part-time faculty and adjuncts. In 2020-2021, the University awarded 8,805 degrees. Approximately 73 percent of graduates who attended high school in Connecticut and who are employed, continue to work in the State of Connecticut.

Related Organization
The University of Connecticut Foundation, Inc. (Foundation), a related organization, operates exclusively to promote the educational, scientific, cultural, research and recreational objectives for both the University and UConn Health, and therefore is not included as a component unit in the accompanying financial statements. See Notes 1 and 15 for additional information.

Economic Condition

Fiscal year 2021 marked an unprecedented and challenging year due to the ongoing COVID-19 pandemic. The State began the year in the second phase of Governor Lamont's four-stage re-opening plan, allowing certain businesses to open under sector-specific rules. Vaccinations began mid-year, which would allow the re-opening to continue in a prudent way. By May 2021, Connecticut was the first state to have 50 percent of its adult population vaccinated. However, by the fiscal year-end, new COVID-19 variants began emerging and forced the State to take further precautions again. To aid in economic recovery, over $7.6 billion in federal COVID-19 relief funding was allocated to Connecticut from the federal Coronavirus Aid, Relief, and Economic Security (CARES) Act and the American Rescue Plan Act (ARPA). This amount excludes additional federal relief funds that came in the form of direct allocations to higher education, individual stimulus payments, and additional unemployment benefits.

Prior to COVID-19, Connecticut was experiencing modest but steady job growth, with an unemployment rate of just 3.8 percent. However, due to the pandemic, the unemployment rate reached its peak in May 2020 at 11.4 percent but has since dropped down to 7.7 percent as of June 2021.

In addition to the ongoing pandemic, Connecticut continues to deal with large unfunded pension liabilities. As those costs are passed on to the University through fringe benefit rates, they negatively affect the University's research competitiveness. The University expects to pay about $43.5 million in fiscal year 2022 towards both unfunded pension and retiree health liabilities from non-state funds such as tuition, student fees, and other outside revenues.

Due to all of the uncertainties surrounding the pandemic at the start of fiscal year 2021, the University initially presented several budget scenarios to the Board of Trustees in June 2020. The scenarios included varying degrees of in-person versus online learning and ranged from a $47 million deficit to a $129 million deficit. By September 2020, with the fall semester underway at 40 percent residential housing capacity, the projected budget deficit was expected to be $76 million, which was mitigated through additional salary savings, departmental cuts, and state and federal support. The federal COVID-19 relief funding that was ultimately provided to the University, either directly or through the State, was instrumental in offsetting its large revenue losses. This funding in conjunction with financial mitigation measures allowed the University to balance operating budgets for fiscal years 2020, 2021, and 2022 (forecasted) in total. Due to the timing of recognizing revenue for the institutional portion of the COVID-19 relief funds, fiscal year 2021 net position losses associated with COVID-19 will be recovered once federal drawdowns are completed in fiscal year 2022.

Long-Term Financial Planning

Beginning in fiscal year 2023 and beyond, the University will work towards eliminating an existing structural deficit, brought on by State-controlled fringe rate increases, potential contractual salary increases, and limited revenue increases. The University's long-term plan includes becoming more self-reliant in generating diverse operating revenues amid a potential for decreases in State support. The University will look to maintain a balanced budget for its growing operations through increases in student tuition, increases in entrepreneurial programs, and reductions in non-core spending.

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

Increases in Entrepreneurial Programs
The University's entrepreneurial programs provide educational opportunities in new emerging fields and contribute to the University's teaching, research, and service mission. These programs are mostly fee-based,

delivered in-person or online, and use strategic marketing to recruit students not otherwise served by existing programs. The University provides incentives to units and will be actively working to develop new programs that can both meet the needs of identifiable, targeted new audiences and generate new sources of revenue.

Reductions in Spending

Over the last several years, the University has been and will continue to implement spending cuts across departments. Beginning in fiscal year 2022, the University will adopt an annual Financial Improvement Plan that specifies the required attrition, vacancy, and other savings necessary to achieve targeted cost savings. The University will continue to create fiscal flexibility 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 $1.5 billion in bond funds for new and renovated facilities, extending the UCONN 2000 capital improvement program that began in 1995 to 2027. An operating component was also included but has been limited due to the State's financial constraints. The general obligation bonds issued through UCONN 2000 and NextGenCT are secured by the State's debt service commitment; therefore, there are no University revenues budgeted for repayment of these bonds. Since fiscal year 2015, the University has been authorized $1.5 billion in funding for this initiative, with an additional $190.5 million and $125.1 million coming in fiscal years 2022 and 2023, respectively. These funds have allowed the University to open a new residential hall, renovate the associated dining hall, build a new downtown Hartford campus, complete the Engineering and Science Building, build a new Fine Arts production facility, complete phases 1 and 2 of the Gant Building renovations, continue construction of the Northwest Science Quad complex, 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, undergraduate enrollment has grown by 2,070 at all campuses with a 37 percent increase in STEM undergraduate enrollment at Storrs. 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 2020-2021 academic year include the following:

- For fall 2020, the University ranks 18th out of the top 58 public research universities in graduation rates for all freshmen and 18th for minority freshmen. Furthermore, the University ranks 16th among the national public research universities for freshman retention.

- Among the graduates from the 2019-2020 academic year, 82 percent are employed, continuing their education, serving in the U.S. Armed Forces, or living or volunteering in the State as of six months post-graduation.

- The University reduced the time to graduation to 4.2 years, which ranks 4th among public research university peers. This was accomplished by increasing the number of class offerings and reducing the student-to-faculty ratio. Decreasing the time to graduation helps UConn students pay less in tuition and join the workforce more quickly.

- In fiscal year 2021, the University provided $140.0 million in tuition funded financial aid, which represents an 11.0 percent increase over last fiscal year. Additionally, the University received $11.1 million in federal COVID-19 relief funding specifically earmarked for student aid which was distributed directly to students in need. In fiscal year 2022, the University will be receiving an additional $28.5 million in federal relief for students, which brings the total to $50.4 million in new federal COVID-19 student aid over the three-year period covering fiscal years 2020, 2021, and 2022.

- From fiscal year 1996 to fiscal year 2021, the University has expended $3.4 billion out of the $3.8 billion of bonds authorized under the UCONN 2000 capital improvement program, which includes funding allocated for UConn Health projects.

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UNIVERSITY OF CONNECTICUT

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

Awards and Acknowledgements

The University marked its 10th consecutive year among the nation's top 25 public universities, according to the 2022 U.S. News & World Report rankings. The No. 23 ranking reflects the University's strong graduation and retention rates, academic excellence, faculty resources, and other factors that are weighed into the annual evaluations. Similarly, according to the Wall Street Journal/Times Higher Education College Rankings, the University sits at No. 28 for top public universities in the United States. The Wall Street Journal ranking system puts emphasis on student success and learning, by factoring in (1) resources, (2) engagement, (3) outcomes, and (4) the environment, as measures of university quality.

The University also holds the distinction of occupying the 8th spot (out of 328) on the Sierra Club's 2021 "Cool Schools" ranking. This achievement is due in part to the University's plan to become carbon neutral by 2040.

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, 2020. This was the 5th consecutive year that the University has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a report issuer must publish an easily readable and efficiently organized ACFR. This report must satisfy both GAAP and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. The University believes that the current ACFR continues to meet the Certificate of Achievement Program's requirements and will submit its ACFR for the fiscal year ended June 30, 2021, 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 individual contribution in the preparation of the report.

Respectfully submitted,

Lloyd Blanchard
Interim Vice President for Finance
and Chief Financial Officer

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

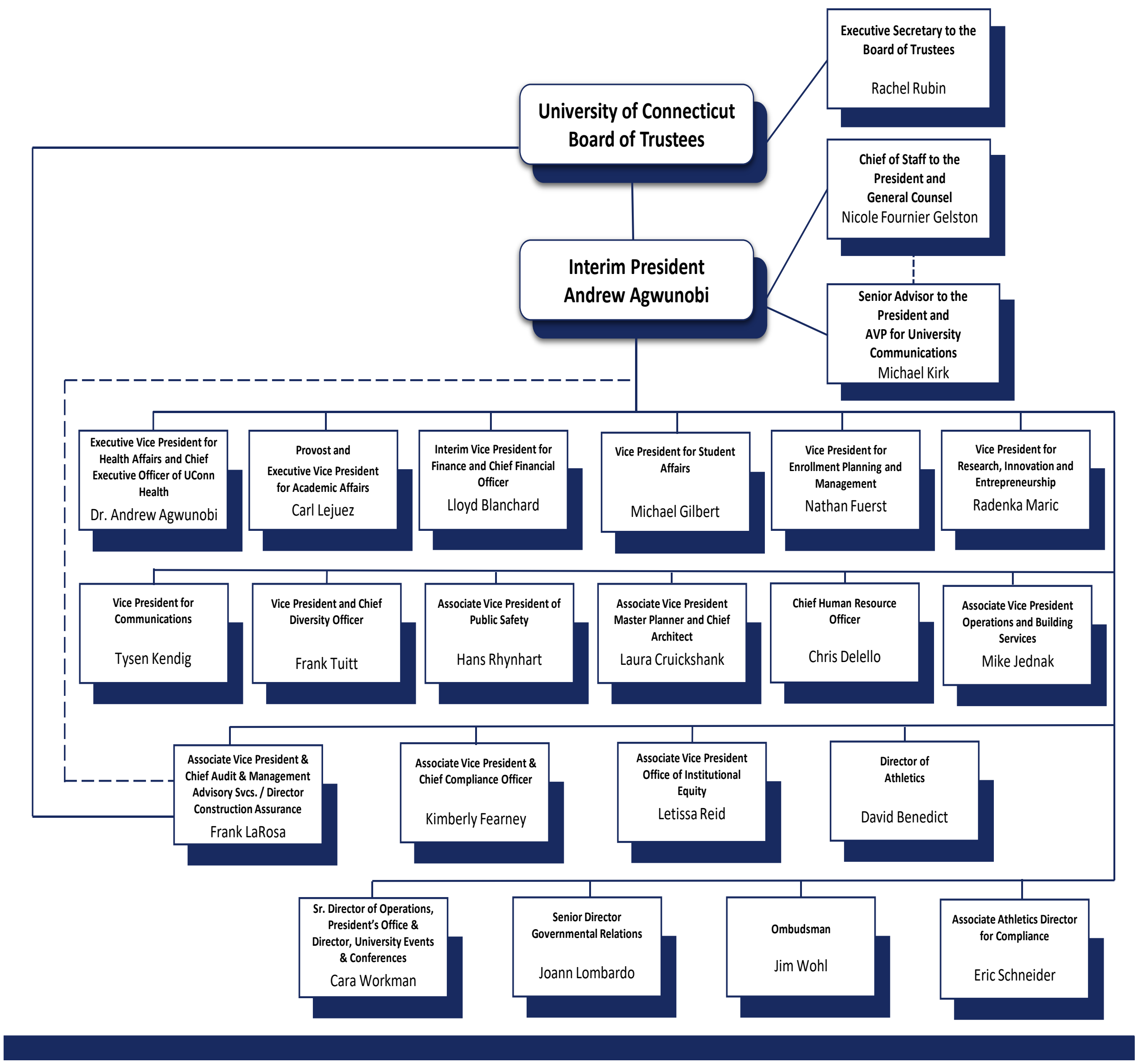
June 30, 2020

Christopher P. Morrill

Executive Director/CEO

UNIVERSITY OF CONNECTICUT
BOARD OF TRUSTEES
As of June 30, 2021

UNIVERSITY OF CONNECTICUT
Organization Chart



FINANCIAL SECTION

STATE OF CONNECTICUT

AUDITORS OF PUBLIC ACCOUNTS

JOHN C. GERAGOSIAN

STATE CAPITOL
210 CAPITOL AVE.
HARTFORD, CONNECTICUT 06106-1559

CLARK J. CHAPIN

INDEPENDENT AUDITORS' REPORT

Board of Trustees of the
University of Connecticut

Report on Financial Statements

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 of fiduciary net position as of June 30, 2021 and the related statements of revenues, expenses and changes in net position, of cash flows, and of 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.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to UConn's preparation and fair presentation of the financial statements 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 the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, based upon our audit, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities and fiduciary activities of the University of Connecticut as of June 30, 2021 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.

Emphasis of Matter

As discussed in Note 1 to the financial statements, the University of Connecticut adopted new accounting guidance related to Governmental Accounting Standards Board Statement No. 84, Fiduciary Activities. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

The accompanying Management's Discussion and Analysis on pages 15 through 25 and the Required Supplementary Information on pages 55 through 57 are required by accounting principles generally accepted in the United States of America to supplement the basic financial statements. Such information, although not 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.

Supplementary and Other Information

The introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Sincerely,

Clark J. Chapin

John C. Geragosian
State Auditor

Clark J. Chapin
State Auditor

December 7, 2021
State Capitol
Hartford, Connecticut

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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, 2021, with selected comparative information from fiscal year 2020. 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. This activity is reported as a fiduciary fund in the University's financial statements as required under GASB Statement No. 84, *Fiduciary Activities* (see Note 1). This fund is reported 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, and other supplementary information are the responsibility of management.

Financial Summary

The outbreak of the 2019 novel coronavirus disease (COVID-19) has created tremendous uncertainty and challenges worldwide and has impacted the University's financial results and operations. The receipt of federal COVID-19 relief funding and other measures taken have helped the University mitigate against significant revenue losses and other COVID-19 expenses that occurred during the pandemic in fiscal year 2021.

Total combined assets and deferred outflows of resources increased \$136.7 million and total combined liabilities and deferred inflows of resources increased \$430.7 million, resulting in an overall decrease in net position of \$294.0 million. Most of this decrease was a result of the following occurrences in fiscal year 2021:

- Pension and OPEB expenses related to the State's defined benefit plans
- Reduced housing capacity and decreases in other auxiliary enterprise services due to COVID-19
- A decline in international student enrollment and reduced mandatory fees charged to undergraduate students taking classes exclusively online
- Mandatory collective bargaining increases

These decreases to net position were partially offset by the following:

- Federal COVID-19 relief funding in fiscal year 2021
- Approved tuition rate increases
- New programs established for students overseas
- Increased state appropriation over last year
- Spending freezes, departmental savings, and university-wide cuts
- Capital appropriation received from the State of Connecticut in conjunction with the issuance of new general obligation bonds in December 2020

The impact from the factors above are further explained 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 property and equipment. The difference between operating revenues and operating expenses is the operating income or loss.

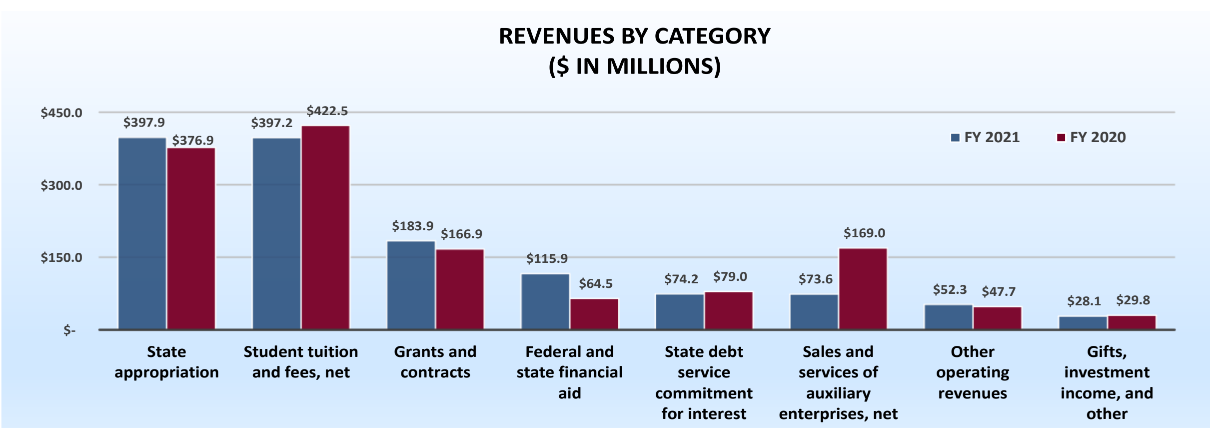
By its very nature, a state-funded institution does not receive tuition, fees, room, and board revenues sufficient to support the operations of the University. Significant recurring sources of nonoperating revenues utilized in balancing the operating loss each year include appropriations from the State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

	2021	2020	$ Change	% Change
Operating Revenues				
Student tuition and fees, net	$ 397.2	$ 422.5	$ (25.3)	(6.0)%
Grants and contracts	183.9	166.9	17.0	10.2%
Sales and services of auxiliary enterprises, net	73.6	169.0	(95.4)	(56.4)%
Other	52.3	47.7	4.6	9.6%
Total Operating Revenues	707.0	806.1	(99.1)	(12.3)%
Operating Expenses				
Salaries and wages	617.2	602.9	14.3	2.4%
Fringe benefits	685.1	597.7	87.4	14.6%
Supplies and other expenses	226.4	258.0	(31.6)	(12.2)%
Utilities	17.3	20.1	(2.8)	(13.9)%
Depreciation and amortization	122.7	117.9	4.8	4.1%
Scholarships and fellowships	28.9	23.4	5.5	23.5%
Total Operating Expenses	1,697.6	1,620.0	77.6	4.8%
Operating Loss	(990.6)	(813.9)	(176.7)	21.7%
Nonoperating Revenues (Expenses)				
State appropriation	397.9	376.9	21.0	5.6%
State debt service commitment for interest	74.2	79.0	(4.8)	(6.1)%
Federal and state financial aid	115.9	64.5	51.4	79.7%
Gifts, investment income, and other	28.1	29.8	(1.7)	(5.7)%
Interest and other expenses	(66.1)	(73.0)	6.9	(9.5)%
Net Nonoperating Revenues	550.0	477.2	72.8	15.3%
Loss Before Other Changes in Net Position	(440.6)	(336.7)	(103.9)	30.9%
Other Changes in Net Position				
State debt service commitment for principal	140.3	-	140.3	100.0%
Capital grants and gifts	11.6	2.2	9.4	427.3%
Additions to permanent endowments	0.2	0.2	-	0.0%
Athletic conference fees (Note 18)	(3.5)	(16.4)	12.9	(78.7)%
Transfer to affiliate	(2.0)	-	(2.0)	100.0%
Net Other Changes in Net Position	146.6	(14.0)	160.6	(1,147.1)%
Decrease in Net Position	(294.0)	(350.7)	56.7	(16.2)%
Net Position – Beginning of Year	(251.8)	98.9	(350.7)	(354.6)%
Net Position – End of Year	$ (545.8)	$ (251.8)	$ (294.0)	116.8%

Revenues

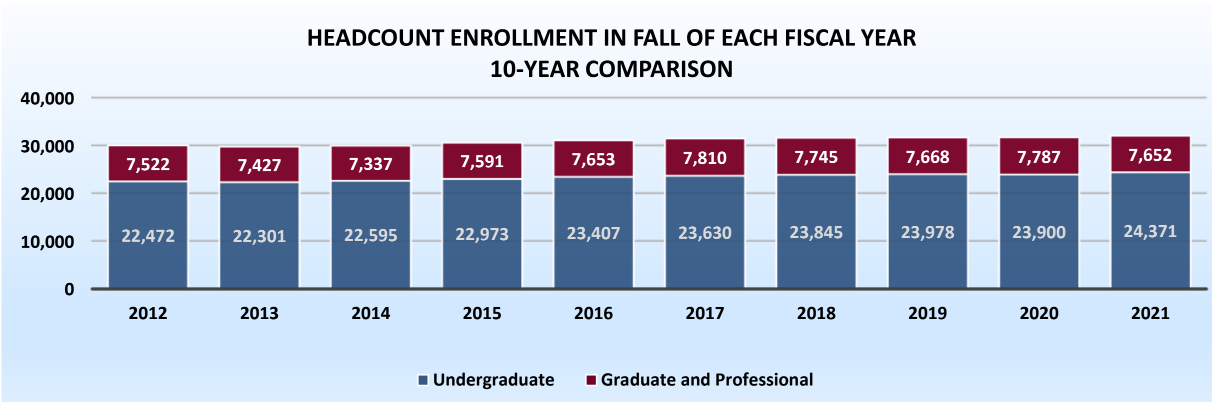
The following graph shows the University's total operating and nonoperating revenues by category, excluding other changes in net position:



Operating Revenues

Operating revenues decreased $99.1 million in fiscal year 2021, largely due to a reduction of sales and services of auxiliary enterprises. Student tuition and fees also contributed to the decrease, partially offset by increases in grants and contracts and other operating revenues.

Student tuition and fees, net of scholarship allowances, decreased $25.3 million. This change was primarily attributed to a decline in international student enrollment combined with a reduction in the dollar amount charged for the General University Fee and other mandatory fees for undergraduate students taking all online classes due to COVID-19. In addition, scholarship allowances increased due to more student aid available. These decreases to revenues were offset by planned tuition rate increases approved by the Board of Trustees and restructured enrollment and orientation fees that went into effect during fiscal year 2021. Despite initial estimates that projected an overall decline in enrollment, undergraduate enrollment was up by 2.0 percent. The graph below presents undergraduate and graduate enrollment over the last 10 years:



Sales and services of auxiliary enterprises, net of scholarship allowances decreased by $95.4 million, which was attributed to the continued impact of COVID-19. Student housing revenues were lower due to the University reducing capacity to approximately 40 percent in order to maintain social distancing among students living on campus. Revenues related to dining services, sporting events, and parking services were also affected by a lower student population and other measures taken to ensure student and staff safety.

Grant revenue can fluctuate year over year depending on various factors including the availability of funding from sponsors, the timing of large grants, when goods are received, and services are rendered. Total **grants and contracts** increased $17.0 million. Most of this increase related to federal grants that included funding from the U.S. Department of Defense, the U.S. Department of Health and Human Services, and the U.S. Department of Transportation.

Other operating revenues increased $4.6 million due to new agreements with partner institutions to establish programs for students overseas. Revenue from these new programs was partially offset by a decline in revenues for other miscellaneous services, including other education abroad programs, conference services, renewable energy credits, and a decrease in agreed upon services provided to UConn Health.

Nonoperating Revenues

Nonoperating revenues increased $65.9 million due to the following:

State appropriation increased $21.0 million in fiscal year 2021 as a result of the increased salaries and fringe benefits of General Fund employees. This change was due to mandatory collective bargaining increases combined with fringe benefit rate increases charged by the State.

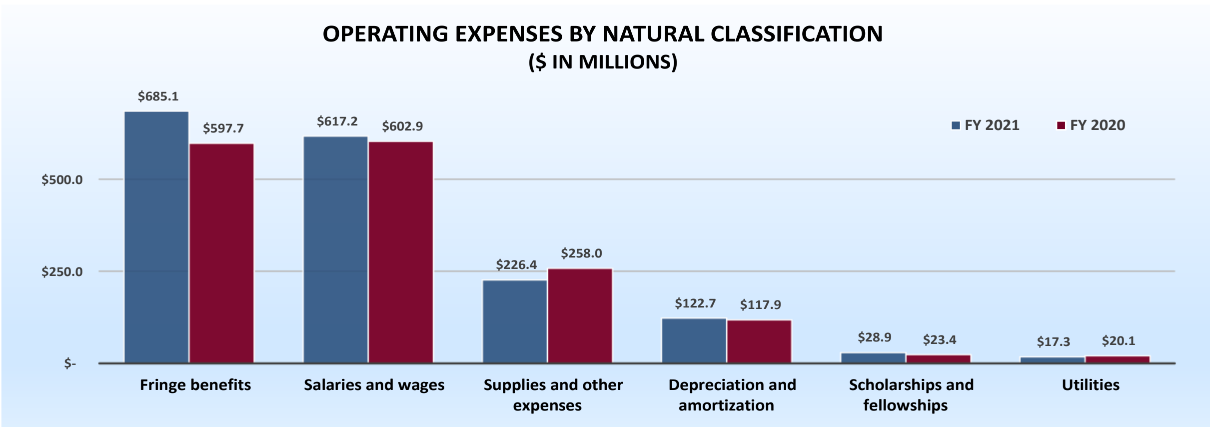
Federal and state financial aid increased $51.4 million in fiscal year 2021, mainly from additional federal COVID-19 aid received under the Coronavirus Relief Fund (CRF), the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA), and the Governor's Emergency Education Relief Fund (see Note 1). Federal Pell grants were also higher in fiscal year 2021.

Gifts, investment income, and other nonoperating revenues decreased a net total of $1.7 million. This decrease was attributed to a reduction in investment income of $7.0 million, which resulted from lower interest rates on cash balances held in the State's short-term investment fund. The decrease in investment income was offset by a $2.9 million increase in noncapital gifts and a $2.4 million increase in other nonoperating revenues (net). Other nonoperating revenues include net appreciation gains related to the University's underlying endowment investments.

State debt service commitment for interest represents the State's guarantee to pay interest incurred on general obligation bonds issued by the University for capital purposes and for UConn Health projects. Effectively, this revenue offsets a significant portion of interest expense each year, and the noted decrease in revenue from interest of $4.8 million corresponds with a related decrease in interest expense, recorded as a component of **interest and other expenses**.

Operating Expenses

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

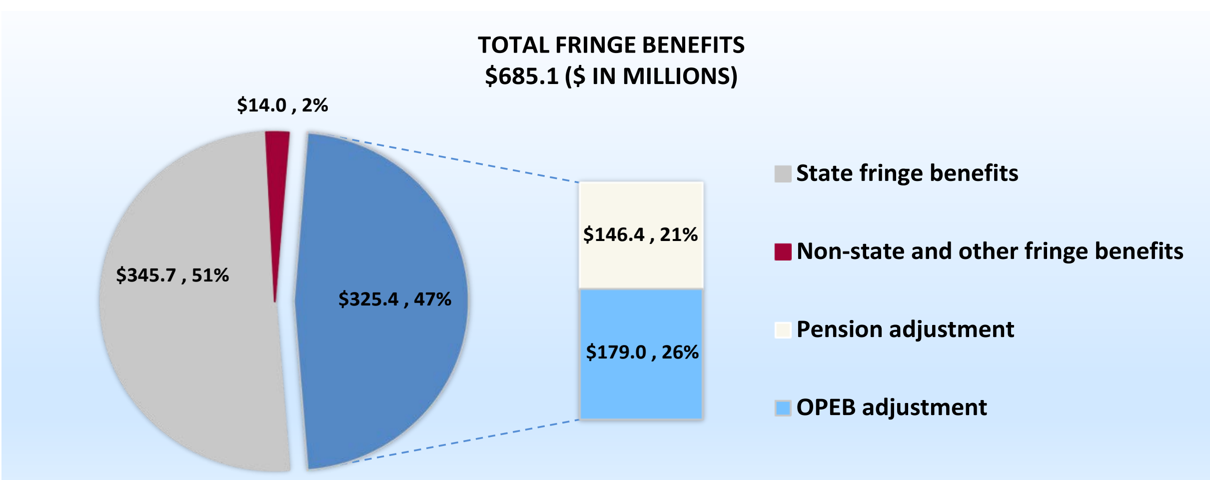


Total operating expenses increased $77.6 million in fiscal year 2021 due to the following:

Salaries and wages increased $14.3 million, primarily resulting from average collective bargaining increases of approximately 5.5 percent. The effect of this change was partially offset by management furloughs coupled with reductions in student labor and overtime pay attributed to COVID-19.

Fringe benefits increased $87.4 million in fiscal year 2021. These expenses mainly relate to employee benefit and retirement plans administered by the State in addition to a small portion related to non-state employees and other miscellaneous benefits. Furthermore, the University records pension and other post-employment benefits (OPEB) in accordance with 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*. GASB 68 and GASB 75 require adjustments to recognize the University's share of the unfunded pension and OPEB liabilities derived from the State's defined benefit pension and OPEB plans (see also Notes 9 and 10). In fiscal year 2021, these adjustments under GASB 68 and GASB 75 increased by $21.7 million and $46.6 million, respectively, and

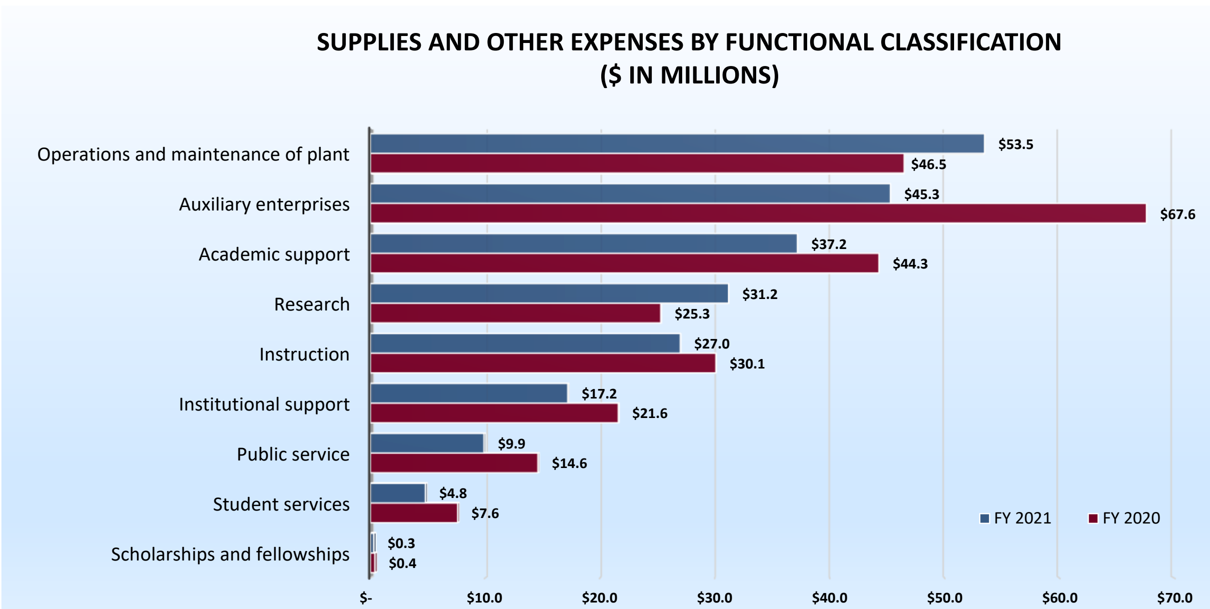
The following graph shows a breakdown of fringe benefits for the year ended June 30, 2021:



represent about 47 percent of total fringe benefits. The remaining increase was mainly attributed to mandatory collective bargaining increases and the rise in fringe benefit rates charged by the State for its defined benefit pension and OPEB plans.

Supplies and other expenses decreased $31.6 million primarily due to university-wide program cuts, reduced spending, departmental savings, and travel restrictions related to COVID-19 that impacted most of the functional expenses. Much of this decrease occurred in auxiliary enterprises because of reduced services for student housing, dining, and athletics, partially offset by increases in medical supplies for COVID-19 testing and providing temporary student housing. Public service expenses also decreased because of consulting services related to healthcare technology contracts that ended in fiscal year 2020. In contrast, operations and maintenance of plant increased due to emergency services for moving students, custodial services, and other cleaning efforts necessary to maintain student and staff safety during the pandemic. Research supplies and other expenses were also higher due to increased funding from federal grants and contracts.

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



Nonoperating Expenses

Interest and other expenses decreased $6.9 million due to a $5.0 million decrease in interest expense and a $1.9 million decrease in disposal of property and equipment, net. Interest expense decreased primarily due to debt service savings related to general obligations bonds refunded in fiscal year 2021 combined with paying down principal balances of existing debt.

Other Changes in Net Position

Other changes in net position are composed primarily of the State's debt service commitment for principal (capital appropriation), capital grants and gifts, athletic conference fees (special items), and transfer to affiliate. Total other changes in net position resulted in a net increase of $160.6 million for fiscal year 2021.

State debt service commitment for principal increased $140.3 million due to the issuance of General Obligation 2020 Series A Bonds in fiscal year 2021 under the UConn 2000 Infrastructure Improvement Program (UCONN 2000). As general obligation bonds are issued, the State commits to the repayment of the future principal amounts. There were no general obligation bonds issued in fiscal year 2020.

Capital grants and gifts increased $9.4 million, primarily because of an increase in UConn Foundation gifts received for the University Athletics District Development project that was partially offset by a reduction in gifts received for smaller construction projects compared to the previous fiscal year.

Athletic conference fees decreased $12.9 million due to an exit fee expense of $16.4 million in the prior year compared to the entrance fee of $3.5 million for entering the Big East Conference in fiscal year 2021 (see Note 18).

Transfer to affiliate (UConn Health) represents funding provided for the Nuclear Magnetic Resonance Facility Upgrade project.

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 after 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 property and equipment, which is 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):

	2021	2020	$ Change	% Change
Assets				
Current assets	$ 723.7	$ 730.0	$ (6.3)	(0.9)%
Property and equipment, net	2,358.5	2,273.2	85.3	3.8%
Other noncurrent assets	1,480.8	1,463.1	17.7	1.2%
Total Assets	4,563.0	4,466.3	96.7	2.2%
Deferred Outflows of Resources	1,078.6	1,038.6	40.0	3.9%
Liabilities				
Current liabilities	444.9	420.0	24.9	5.9%
Noncurrent liabilities	5,595.3	5,199.6	395.7	7.6%
Total Liabilities	6,040.2	5,619.6	420.6	7.5%
Deferred Inflows of Resources	147.2	137.1	10.1	7.4%
Net Position				
Net investment in capital assets	1,820.2	1,763.7	56.5	3.2%
Restricted nonexpendable	14.2	15.1	(0.9)	(6.0)%
Restricted expendable	106.8	67.6	39.2	58.0%
Unrestricted	(2,487.0)	(2,098.2)	(388.8)	18.5%
Total Net Position	$ (545.8)	$ (251.8)	$ (294.0)	116.8%

Assets

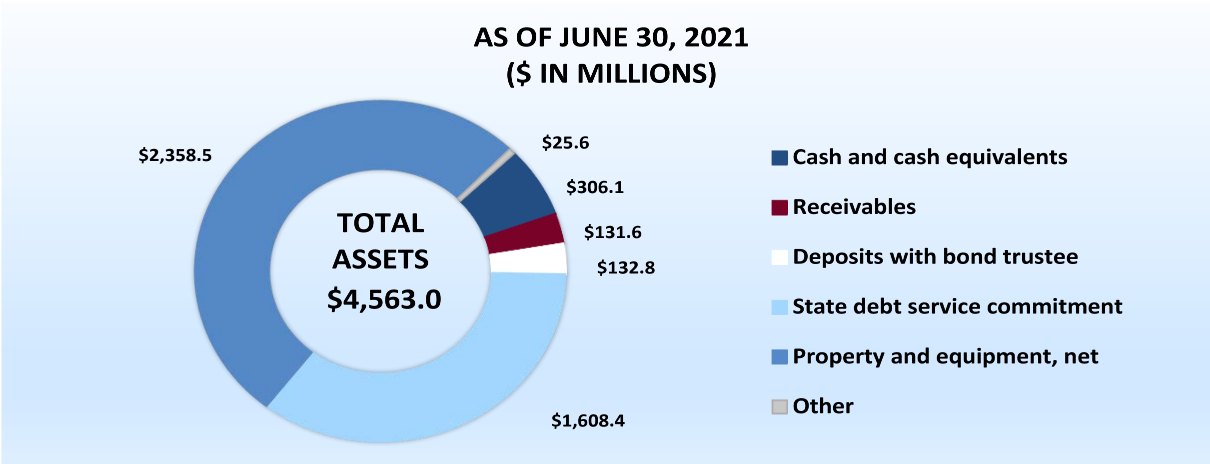
Total assets increased $96.7 million in fiscal year 2021. This change included a decrease in current assets of $6.3 million, an increase in net property and equipment of $85.3 million, and an increase in other noncurrent assets of $17.7 million.

The decrease in **current assets** was mainly a result of lower cash and cash equivalents of $42.1 million at year-end. Cash balances were lower due to capital-related spending from unrestricted sources, lower short-term investment earnings, and revenue losses related to the pandemic offset by federal COVID-19 relief funding. The amount due from affiliate (UConn Health) was also lower by $8.7 million from the prior year due to collections of prior year billings as well as a reduction in branding services provided. These decreases were offset by a higher balance in deposits with bond trustee of $43.4 million that represents the unexpended bond proceeds provided through the issuance of general obligation bonds during the year. No general obligation bonds were issued in fiscal year 2020.

The net increase in **property and equipment** included additions of $208.1 million, offset in part by depreciation and amortization of $122.7 million and retirements of $0.1 million. The large additions are mostly attributed to the University's active construction program under UCONN 2000.

The change in **other noncurrent assets** corresponds with the increase in the long-term portion of the State debt service commitment of $13.5 million, which resulted from the issuance of new general obligation bonds that are backed by the State debt service commitment. Investments also increased $4.4 million due to the fair value appreciation on the University's endowments.

The following graph shows total assets by major category:



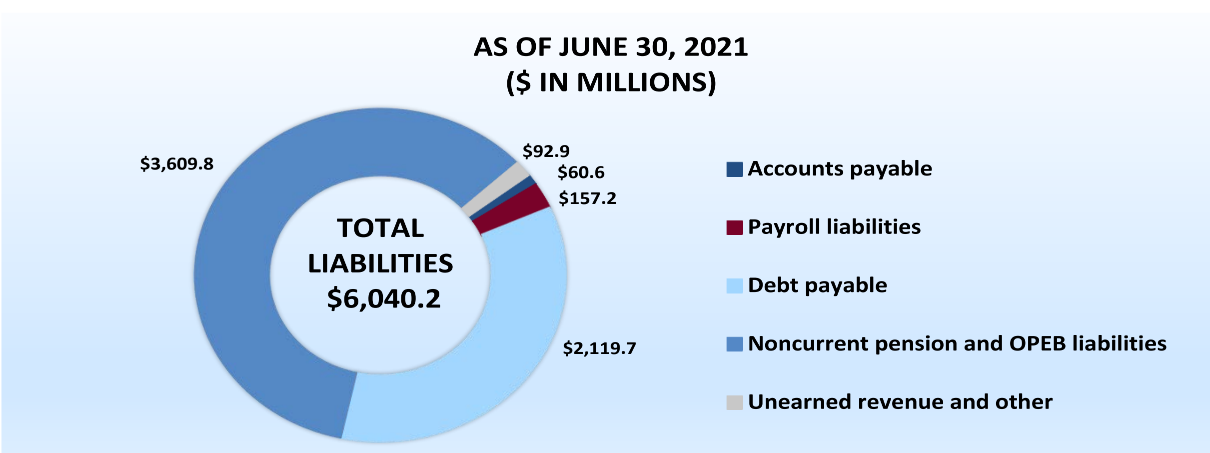
Liabilities
Total liabilities increased $420.6 million in fiscal year 2021. This change included an increase in current liabilities of $24.9 million and an increase in noncurrent liabilities of $395.7 million.

Current liabilities increased mainly due to changes in accounts payable, payroll liabilities, and the current portion of long-term debt resulting from the issuance of general obligation bonds. Accounts payable was higher in fiscal year 2021 by $10.3 million, which related to increased construction activity for the STEM Research Center Science 1 building, Supplemental Utility Plant, and Northwest Science Quad infrastructure projects as well as an increase in research activities. Payroll liabilities including wages payable and due to State were higher in fiscal year 2021 because of current year wage increases and higher fringe benefit rates charged by the State. These increases were offset by a decrease in unearned revenue consisting of the prorated COVID-19 housing and dining credits issued in the prior year due to closing the campus. These credits were held and applied to the fall 2020 tuition in fiscal year 2021.

Noncurrent liabilities were higher due to the net pension and net OPEB liabilities combined with increases in long-term debt payable (see also Debt Activities and Note 6).

The increase in the University's proportionate share of the collective net pension liabilities related mainly to the change in the University's proportion for the State Employees Retirement System (6.39 percent in fiscal year 2021 versus 5.98 percent in fiscal year 2020). The remaining increase related primarily to actuarial and investment experience losses. The University's proportionate share of the collective net OPEB liability increased because of normal plan operations combined with the net effect of an investment experience loss, valuation assumption changes, and an actuarial experience gain. These changes were offset by a decrease in the University's proportion (8.87 percent in fiscal year 2021 versus 9.05 percent in fiscal year 2020).

The following graph shows total liabilities by major category:



Deferred Outflows and Deferred Inflows of Resources

Deferred outflows of resources increased $40.0 million, primarily due to components related to the net pension and net OPEB liabilities. An assumption loss related to OPEB was the main driver of the increase combined with other actuarial adjustments related to pension, and higher pension contributions made after the measurement date, partially offset by amortization of deferrals.

Deferred inflows of resources increased $10.1 million, mainly attributed to the deferred gain that resulted from debt refundings of general obligation bonds in fiscal year 2021. This increase was partially offset by changes in deferred balances related to net pension and net OPEB liabilities.

NET POSITION

Net position is divided into three major categories. The first category, net investment in capital assets, represents the University's equity in property and equipment. 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, retirement of debt, and auxiliary enterprise activities.

The University's net position as of June 30, 2021, is a negative $545.8 million as total liabilities and deferred inflows were greater than total assets and deferred outflows. This is primarily a result of long-term liabilities recognized under GASB 68 and GASB 75 and does not reflect the University's resources that are available to meet current obligations. The University continues to rely on inflows from student tuition and fees, grants and contracts, sales and services, State appropriation, gifts, and other revenues to maintain a liquid financial position (see table below).

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

	2021	2020	$ Change	% Change
Net Position				
Net investment in capital assets	$ 1,820.2	$ 1,763.7	$ 56.5	3.2%
Restricted nonexpendable	14.2	15.1	(0.9)	(6.0)%
Restricted expendable	106.8	67.6	39.2	58.0%
Unrestricted	(2,487.0)	(2,098.2)	(388.8)	18.5%
Total Net Position	(545.8)	(251.8)	(294.0)	116.8%
Pension (GASB 68) impact	1,061.9	915.5	146.4	16.0%
OPEB (GASB 75) impact	1,597.8	1,418.8	179.0	12.6%
Net Position, Excluding Pension and OPEB	$ 2,113.9	$ 2,082.5	$ 31.4	1.5%

The decrease of $294.0 million in net position in fiscal year 2021 included the following changes:

Net investment in capital assets increased $56.5 million. This change was attributed to a net increase in capital assets of $85.3 million, partially offset by net increase of $28.8 million in capital-related debt.

Restricted expendable increased $39.2 million that mainly consisted of an increase of $30.1 million related to capital projects and $9.1 million related to research, instruction, scholarships, loans, and other.

Capital projects in restricted expendable increased primarily because of new funding received from general obligation bonds designated for UCONN 2000 projects and $1.5 million in additions to the Renewal and Replacement Fund. These changes were offset by the spending down of the remaining 2018 Student Fee Revenue Bond proceeds.

The increase in restricted expendable for research, instruction, scholarships, loans, and other restricted balances, was mainly attributed to the net appreciation of the University's endowments combined with one-time gifts received in the current year.

Unrestricted net position decreased $388.8 million, largely due to pension and OPEB adjustments of $325.4 million. The remaining decrease of $63.4 million was primarily attributed to capital-related spending, lower short-term investment earnings, and housing, dining, and other revenue losses that resulted from the COVID-19 pandemic in fiscal year 2021.

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

Property and equipment, net of accumulated depreciation and amortization, consisted of the following at June 30 ($ in millions):

	2021	2020	$ Change	% Change
Land	$ 31.1	$ 31.1	$ -	0.0%
Construction in progress	145.2	221.4	(76.2)	(34.4)%
Art and historical collections	56.8	56.7	0.1	0.2%
Non-structural improvements	346.9	310.2	36.7	11.8%
Buildings and improvements	1,661.5	1,537.7	123.8	8.1%
Intangible assets	24.2	20.6	3.6	17.5%
Library materials	4.1	4.8	(0.7)	(14.6)%
Equipment	88.7	90.7	(2.0)	(2.2)%
Total Property and Equipment, Net	$ 2,358.5	$ 2,273.2	$ 85.3	3.8%

Construction in progress decreased $76.2 million as projects including University Athletics District Development, a portion of Gant Building STEM Renovations, Central Utility Plant (CUP) Equipment Replacement and Pumping Project and other projects were completed and transferred from construction in progress to buildings and improvements and non-structural improvements. Transfers out of construction in progress were offset by additions as projects including STEM Research Center Science 1, Supplemental Utility Plant, Northwest Quad – Science 1 – Site Improvements and Tunnel Phase 2, and other projects continued construction.

Art and historical collections increased by $0.1 million, representing additions.

Non-structural improvements increased by $36.7 million. Additions totaling $50.2 million included University Athletics District Development and other projects. These additions were offset by depreciation expense of $13.5 million.

Buildings and improvements increased by $123.8 million. Additions of $208.2 million included University Athletics District Development, a portion of Gant Building STEM Renovations, CUP Equipment Replacement and Pumping Project, and other renovation projects. These additions were offset by depreciation expense of $84.3 million and net disposals of $0.1 million.

Intangible assets increased by $3.6 million. Additions of $10.5 million included long-term software licensing commitments, costs associated with the Peoplesoft Student Administration Upgrade project and other software implementations offset by amortization expense of $6.9 million.

Library materials decreased by $0.7 million. Additions of approximately $0.4 million were offset by $1.1 million in depreciation expense.

Equipment decreased by $2.0 million. Additions of $15.0 million were offset by depreciation expense of $17.0 million.

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

DEBT ACTIVITIES

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

The State has made a commitment to fund the University for all principal and interest payments due on UCONN 2000 general obligation debt. As the general obligation debt is incurred, the commitment from the State is recorded as a current and noncurrent receivable in the Statement of Net Position.

In fiscal year 2021, the University issued UCONN 2000 general obligation bonds with a combined face value of $279.3 million, of which $680,000 was committed to UConn Health for its UCONN 2000 projects. This issuance included the partial refundings of the General Obligation 2010 Series A Bonds, the General Obligation 2011 Series A Bonds, and the General Obligation 2011 Refunding Series A Bonds.

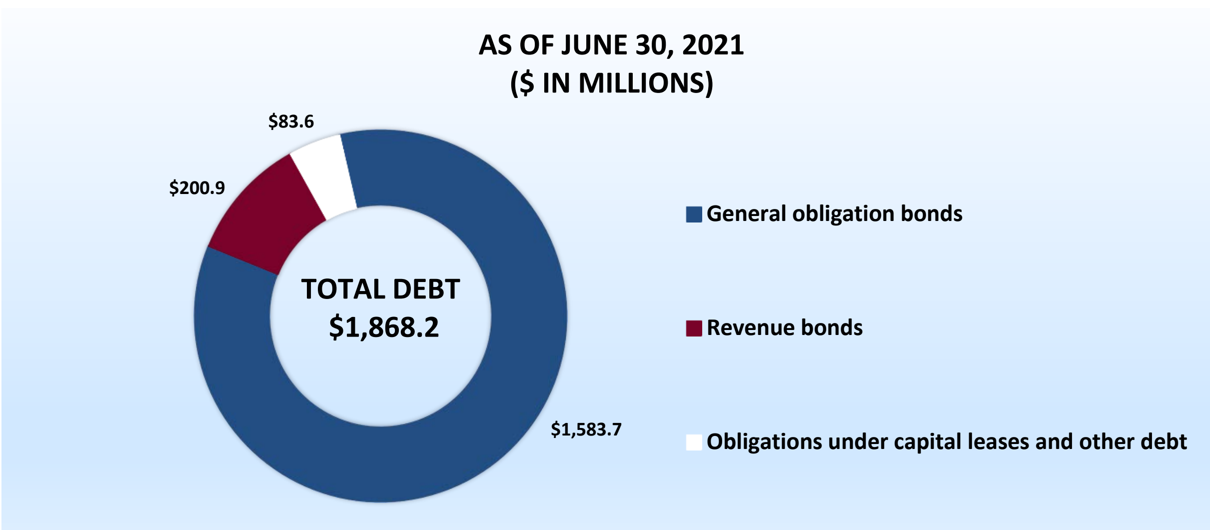
In addition to general obligation bonds, the University may issue special obligation bonds, also called Student Fee Revenue Bonds, which are secured by certain pledged revenues. There were no special obligation bonds issued or refunded in fiscal year 2021.

Obligations under capital leases include a lease purchase agreement to finance the UCONN 2000 Cogeneration Facility and a sublease agreement to provide student housing at the Stamford campus. There were no new capital lease obligations in fiscal year 2021.

Long-term software commitments represent obligations to make payments to vendors in accordance with contract terms in exchange for the right to use certain software applications. In fiscal year 2021, the University incurred new commitments totaling $4.8 million.

See also 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

As the pandemic continues, the University cautiously looks forward and maintains its focus on protecting academic excellence and providing strong student support. For the fall 2021 semester, the University expects to have approximately 88 percent residential housing capacity, about 93 percent of undergraduate classes taught in person, and most staff transitioning from remote working to returning to campus. In addition, the University's fiscal year 2022 annual budget of $1.6 billion, which was approved by the Board of Trustees in June 2021, encompasses substantial support from both the State and the federal government as well as departmental cuts.

To further alleviate the financial impact of the pandemic, the University will be receiving $20.0 million in fiscal year 2022 from the State's American Rescue Plan Act (ARPA) allocation. In addition, the University will be receiving $5.0 million from the State through the CRF to offset certain eligible expenses related to COVID-19.

Furthermore, the University expects to utilize $28.4 million of federal aid in fiscal year 2022 provided through the Higher Education Emergency Relief Fund authorized under the ARPA (HEERF III). HEERF III also includes a student aid component of $28.5 million for emergency grants that will be distributed to students through the spring of 2022.

State support budgeted in fiscal year 2022 includes a block grant and payment for fringe benefits and adjustments of $408.5 million. Salary and fringe benefit costs account for over 54 percent or $872.8 million of the University's operating budget for fiscal year 2022. This amount includes approximately $327.3 million in fringe benefit costs that will be charged through an assessed rate determined by the State. Of this amount, about $192.8 million will be recovered though the State's annual support. However, the University continues to rely more on tuition revenues than any other source to cover these rising costs.

In December 2019, the Board of Trustees approved a five-year plan for tuition increases. For the fiscal year 2022 portion, tuition will increase about $625 per student. These increases are mitigation measures taken to lessen the impact of rising State fringe benefit costs along with inflation in the higher education sector nationwide.

For the University's capital improvement plan, the Board of Trustees approved a $271.5 million capital budget for fiscal year 2022, which is comprised of $56.0 million of University, gift and State bond funds, and $215.5 million of UCONN 2000 State general obligation bonds. The approved capital budget consists of new construction, renovation, and improvements primarily related to academic and research facilities, residential life facilities, athletics facilities, infrastructure, and high-priority deferred maintenance.

In fiscal 2022, the University will continue construction of the Northwest Science Quad complex that includes a 198,000 square-foot modern classroom and research facility and several enabling projects such as a new supplemental utility plant, and utilities and infrastructure improvements. This complex is a major component of the Next Generation Connecticut program adopted by the Connecticut General Assembly in 2013 to expand the University's educational and research work in the STEM fields (science, technology, engineering, and math). In addition, construction will continue on a 3,500 square-foot addition to the Public Safety Building for completion in the summer of 2022. In June 2021, construction began on a new 2,600 seat hockey arena and related parking improvements, which are expected to be completed in the fall of 2022.

UNIVERSITY OF CONNECTICUT
STATEMENT OF NET POSITION
As of June 30, 2021

($ in thousands)

	2021
ASSETS	
Current Assets	
Cash and cash equivalents	$ 306,130
Accounts receivable, net	69,422
Student and other loans receivable, net	1,979
Due from State of Connecticut	52,411
Due from affiliate	3,364
State debt service commitment	152,261
Deposits with bond trustee	132,768
Prepaid expenses and other assets	5,406
Total Current Assets	723,741
Noncurrent Assets	
Investments	20,194
Student and other loans receivable, net	3,459
Due from affiliate	1,000
State debt service commitment	1,456,165
Property and equipment, net	2,358,518
Total Noncurrent Assets	3,839,336
Total Assets	4,563,077
DEFERRED OUTFLOWS OF RESOURCES	1,078,603
LIABILITIES	
Current Liabilities	
Accounts payable	60,596
Unearned revenue	37,360
Deposits held for others	1,701
Federal refundable loans	1,390
Wages payable	71,806
Compensated absences	20,305
Due to State of Connecticut	42,200
Due to affiliate	2,979
Current portion of long-term debt and bonds payable	164,586
Other current liabilities	41,966
Total Current Liabilities	444,889
Noncurrent Liabilities	
Compensated absences	22,839
Long-term debt and bonds payable	1,955,162
Federal refundable loans	4,903
Net pension liabilities	1,522,663
Net other post-employment benefits liability	2,087,164
Other liabilities	2,622
Total Noncurrent Liabilities	5,595,353
Total Liabilities	6,040,242
DEFERRED INFLOWS OF RESOURCES	147,230
NET POSITION	
Net investment in capital assets	1,820,249
Restricted nonexpendable	14,164
Restricted expendable	
Research, instruction, scholarships, and other	25,824
Loans	1,981
Capital projects and debt service	78,961
Unrestricted	(2,486,971)
Total Net Position	$ (545,792)

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, 2021

($ in thousands)

	2021
OPERATING REVENUES	
Student tuition and fees, net of scholarship allowances of $197,042	$ 397,237
Federal grants and contracts	147,547
State and local grants and contracts	16,364
Nongovernmental grants and contracts	20,012
Sales and services of educational departments	25,355
Sales and services of auxiliary enterprises, net of scholarship allowances of $7,395	73,577
Other sources	26,943
Total Operating Revenues	707,035
OPERATING EXPENSES	
Salaries and wages	617,225
Fringe benefits	685,126
Supplies and other expenses	226,404
Utilities	17,295
Depreciation and amortization	122,695
Scholarships and fellowships	28,866
Total Operating Expenses	1,697,611
Operating Loss	(990,576)
NONOPERATING REVENUES (EXPENSES)	
State appropriation	397,910
State debt service commitment for interest	74,170
Federal and state financial aid	115,892
Gifts	24,715
Investment income	794
Interest expense	(66,114)
Disposal of property and equipment, net	(3)
Other nonoperating revenues, net	2,594
Net Nonoperating Revenues	549,958
Loss Before Other Changes in Net Position	(440,618)
OTHER CHANGES IN NET POSITION	
State debt service commitment for principal	140,295
Capital grants and gifts	11,640
Additions to permanent endowments	164
Athletic conference fee (Note 18)	(3,500)
Transfer to affiliate	(2,000)
Net Other Changes in Net Position	146,599
Decrease in Net Position	(294,019)
NET POSITION	
Net Position – Beginning of Year	(251,773)
Net Position – End of Year	$ (545,792)

See accompanying notes to basic financial statements.

UNIVERSITY OF CONNECTICUT
STATEMENT OF CASH FLOWS
For the Year Ended June 30, 2021

($ in thousands)

	2021
CASH FLOWS FROM OPERATING ACTIVITIES	
Student tuition and fees	$ 380,991
Grants and contracts	179,250
Sales and services of educational departments	25,464
Sales and services of auxiliary enterprises	75,970
Payments to employees	(606,482)
Payments for benefits	(348,190)
Payments to suppliers and others	(267,798)
Collections of loans to students	1,404
Loans issued to students	(256)
Loan issued to affiliate	(1,800)
Fiduciary activities – third-party student receipts and other	65,073
Fiduciary activities – third-party student payments and other	(64,287)
Fiduciary activity – direct lending receipts	166,853
Fiduciary activity – direct lending payments	(166,053)
Other cash receipts	36,303
Net Cash Used in Operating Activities	(523,558)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
State appropriation	395,801
Federal and state financial aid	115,094
Gifts	24,265
Proceeds from bonds related to affiliate	680
State debt service commitment related to affiliate	66,447
Principal paid on debt and bonds payable related to affiliate	(40,249)
Interest paid on debt and bonds payable related to affiliate	(26,197)
Transfer to affiliate	(2,000)
Net Cash Provided from Noncapital Financing Activities	533,841
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
State debt service commitment	133,427
Proceeds from bonds	199,320
Principal paid on debt and bonds payable	(100,171)
Interest paid on debt and bonds payable	(59,488)
Proceeds from sale of property and equipment	135
Purchases of property and equipment	(194,136)
Capital allocation	239
Capital grants and gifts	10,676
Net Cash Used in Capital and Related Financing Activities	(9,998)
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of investments	(167)
Interest on investments	1,255
Deposit with bond trustee	(43,430)
Net Cash Used in Investing Activities	(42,342)
DECREASE IN CASH AND CASH EQUIVALENTS	(42,057)
BEGINNING CASH AND CASH EQUIVALENTS	348,187
ENDING CASH AND CASH EQUIVALENTS	$ 306,130

See accompanying notes to basic financial statements.

UNIVERSITY OF CONNECTICUT
STATEMENT OF CASH FLOWS (Continued)
For the Year Ended June 30, 2021

($ in thousands)

		2021
RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES		
Operating Loss	$	(990,576)
Adjustments to Reconcile Operating Loss to Net Cash		
Used in Operating Activities:		
Depreciation and amortization expense		122,695
Property and equipment		4,887
Investments		(4,226)
In-kind workers' compensation		863
Other nonoperating revenues, net		2,594
Athletic conference fee		(3,500)
Changes in Assets and Liabilities:		
Receivables, net		(1,579)
Student and other loans receivable, net		1,422
Due from affiliate		8,636
Prepaid expenses and other assets		4,342
Deferred outflows of resources		(40,791)
Accounts payable, wages payable, and compensated absences		11,931
Unearned revenue		(5,630)
Deposits held for others		(553)
Federal refundable loans		(1,600)
Due to State of Connecticut		3,567
Due to affiliate		(2,869)
Net pension and net OPEB liabilities		368,090
Other liabilities		1,495
Deferred inflows of resources		(2,756)
Net Cash Used in Operating Activities	$	(523,558)
ACCOMPANYING SCHEDULE OF SIGNIFICANT NONCASH TRANSACTIONS		
Proceeds from refunding bonds	$	141,384
Amortization of premiums, discounts, and gains and losses on debt refundings		22,129
Acquisition of software licenses under long-term purchase contracts		4,799
Capital assets acquired through gifts		694
Unrealized gain on investment		4,226
Net loss on disposal of capital assets with an original cost of $8,601, accumulated depreciation of $8,463, and cash proceeds of $135		(3)

See accompanying notes to basic financial statements.

UNIVERSITY OF CONNECTICUT
STATEMENT OF FIDUCIARY NET POSITION – PENSION TRUST FUND
As of June 30, 2021

($ in thousands)

		2021
ASSETS		
Cash and cash equivalents	$	375
Receivable from employer		364
Investments at fair value:		
Bond funds		5,551
Equity funds		7,366
Total investments		12,917
Total Assets		13,656
LIABILITIES		
Accounts payable and other liabilities		108
Total Liabilities		108
NET POSITION		
Restricted for pensions		13,548
Total Net Position	$	13,548

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION – PENSION TRUST FUND
For the Year Ended June 30, 2021

($ in thousands)

		2021
ADDITIONS		
Employer contributions	$	675
Investment Earnings:		
Increase in fair value of investments		2,169
Dividends and interest		355
Total investment earnings		2,524
Less: investment fees and charges		71
Net investment earnings		2,453
Total Additions		3,128
DEDUCTIONS		
Benefits paid to participants or beneficiaries		621
Net Increase in Fiduciary Net Position		2,507
Net Position – Beginning of Year		11,041
Net Position – End of Year	$	13,548

See accompanying notes to basic financial statements.

Notes to Financial Statements
For the Year Ended June 30, 2021

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The University of Connecticut, a comprehensive institution for higher education governed by a 21-member Board of Trustees, serves as the flagship for higher education in the State of Connecticut (State). This institution is composed of programs based in Storrs and at the four regional campuses: Avery Point, Hartford, Stamford, and Waterbury. It also includes the School of Law, the School of Social Work, and the University of Connecticut Health Center (UConn Health). UConn Health is a fiscally independent branch, defined in State statute as a healthcare institution, that oversees clinical care, advanced biomedical research, and academic education in medicine. Separate for purposes of audit and financial reporting, UConn Health has its own Board of Directors to whom the Board of Trustees has delegated authority and by State statute is a separate entity for purposes of budgeting, maintaining operating funds, and receiving appropriations from the State. The transactions and balances of UConn Health are not included within this annual comprehensive financial report for the year ended June 30, 2021, 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 the major business-type activities of 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 these funds in the accompanying Statement of Fiduciary Net Position and the Statement of Changes in Fiduciary Net Position (Fiduciary Statements) in accordance with GASB Statement No. 84 (GASB 84), *Fiduciary Activities*. 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 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 accrual basis of accounting in accordance with GASB 84.

Adoption of New Accounting Standards

In fiscal year 2021, the University implemented GASB 84, which establishes criteria for identifying fiduciary activities and requires fiduciary activities to be reported in a statement of fiduciary net position and a statement of changes in fiduciary net position. The University of

Connecticut Department of Dining Services Money Purchase Penson Plan is a defined contribution pension plan that meets the control criteria of a fiduciary activity as defined by GASB 84. These funds are reported as a pension trust fund in the accompanying Fiduciary Statements.

In addition, GASB 84 permits business-type activities, such as the University, to report activities that would otherwise be considered custodial funds in the University's Statement of Net Position and Statement of Cash Flows as an operating activity, if upon receipt, the funds are normally expected to be held for three months or less. These fiduciary activities were reclassified in the operating activities section of the Statement of Cash Flows for the fiscal year ended June 30, 2021. There was no impact to the University's beginning net position as a result of implementing GASB 84.

GASB Statement No. 90 (GASB 90), *Majority Equity Interests*, improves the consistency and comparability of reporting a government's majority equity interest in a legally separate organization. A majority equity interest in a legally separate organization that meets the definition of an investment as defined by GASB should be measured using the equity method. Majority equity interests that do not meet the definition of an investment are required to be reported as a component unit. GASB 90 also provides guidance for reporting a component unit if a government acquires a 100 percent equity interest in that component unit. The requirements of GASB 90 were effective for the University on July 1, 2020, and its adoption did not have a material impact on the accompanying financial statements.

The University also elected to early adopt GASB Statement No. 98 (GASB 98), *The Annual Comprehensive Financial Report*. GASB 98 establishes the term *annual comprehensive financial report* and its acronym *ACFR*. In accordance with this statement, the University has replaced comprehensive annual financial report and its acronym with the new term and acronym.

The University postponed the adoption of GASB Statement No. 87, *Leases*, and GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, to fiscal year 2022 in accordance with GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*.

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, and amounts due from state and federal governments for grants and contracts. Student and other loans receivable consist primarily of amounts due from students under the Federal Perkins Loan Program, which are subject to significant restrictions. The receivable for student and other loans is classified as current and noncurrent based on the amount estimated to be collected within one year and beyond one year, respectively. Accounts and loans receivable are recorded net of an estimated allowance for doubtful accounts.

Due from State and Due to State

Due from State includes an appropriation receivable from the General Fund of the State (General Fund) for payroll, as well as unspent State bond funds designated to the University by the State Bond Commission for specific capital projects.

The State administers employee benefit and retirement plans and charges the University based on an annual fringe benefit rate that is applied to employee salaries. The amount due to State consists of fringe benefits accrued in relation to wages payable reported at the fiscal year-end.

Due from Affiliate and Due to Affiliate

Due from affiliate includes amounts owed by UConn Health resulting from various memorandums of understanding (MOUs) and other operating activities. The noncurrent portion of due from affiliate consists primarily of advances to UConn Health for capital purposes for amounts due beyond one year.

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

State Debt Service Commitment

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

Deposits with Bond Trustee

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

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

Investment earnings from UCONN 2000 General Obligation Bond proceeds are retained by the State Treasurer's Office and do not flow to the University or to the Trustee Bank. Investment earnings from 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 own 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. Since 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.

Property and Equipment

Property and equipment are reported at cost at the date of acquisition or, in the case of gifts, at acquisition value. All land is capitalized regardless of cost. Capital projects greater than $100,000 that significantly increase the value or useful life of an asset are capitalized. Routine repairs and maintenance costs are charged to operating expenses in the year incurred. Equipment with a value of $5,000 or more and a useful life of more than one year is capitalized.

Depreciation and amortization expenses are recorded on a straight-line basis over the estimated useful lives of the respective assets:

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

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.

The University does not include interest in the cost of constructed capital assets financed through general obligation bonds. The repayment of interest on these bonds is funded by the State. Interest incurred during the construction phase on projects financed through University funded debt is capitalized, net of interest earned on the invested proceeds of the borrowing.

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 (1) the long-term portion of compensated absences, (2) principal payments due on bonds (net of unamortized premiums and discounts), loans and capital leases with a maturity of more than one year, (3) net pension and net other post-employment benefits (OPEB) liabilities, (4) the long-term portion of governmental advances for revolving student loan programs required to be returned to the federal government upon cessation of the program, and (5) other liabilities consisting of an asset retirement obligation (ARO) and the long-term portion of the University's bookstore service concession arrangement liability.

Net Pension and Net OPEB Liabilities

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

Deferred Outflows and Deferred Inflows of Resources

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

The University reports gains and losses on refunded debt as deferred inflows of resources and deferred outflows of resources, respectively. Gains and losses on refunded debt 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.

Certain AROs are reported as deferred outflows of resources and are recognized over the remaining useful life of the related asset. The difference between payments received and contractual liabilities recorded in connection with a service concession arrangement is reported as a deferred inflow of resources and is recognized as revenue over the contract term.

Net Position

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

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

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

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

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

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

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

Revenues and Expenses

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

- **Operating revenues and expenses:** Operating revenues consist of tuition and fees, grants and contracts, sales and services of educational activities, auxiliary enterprises revenue, and other sources of revenue that generally have the characteristics of exchange transactions. GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*, requires recipients of government-mandated and voluntary nonexchange transactions to recognize revenue when all applicable eligibility requirements are met for these transactions. Restricted grant revenue that does not meet the nonexchange transaction definition is also recognized to the extent expended or, in the case of fixed price contracts, when the contract terms are met or completed. Operating expenses include all expense transactions incurred other than those related to investing or financing, irrespective as to 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 16 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 property and equipment, net, are also reported as nonoperating.

Scholarship Discounts and Allowances

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

UConn Health MOUs

The University manages certain operations for UConn Health in exchange for payment. These payments cover operating expenses related to public safety, marketing, library services, technology commercialization, and other miscellaneous services. The terms of these arrangements are set forth in formal MOUs that are reviewed and agreed upon by both parties on an annual basis. The revenues from UConn Health MOUs are recorded as part of other sources under operating revenues in the accompanying Statement of Revenues, Expenses, and Changes in Net Position. See Note 15 for further details.

Other Significant Transactions

In March 2020, the World Health Organization declared the outbreak of the coronavirus disease of 2019 (COVID-19) as a pandemic and the Governor of Connecticut declared a civil preparedness and public health emergency. In fiscal year 2021, the University implemented certain changes in its operations to ensure the safety and well-being of its students, faculty, and staff, and to adhere to social distancing guidelines. As a result, the University reduced certain mandatory fees for the fall 2020 and spring 2021 semesters for undergraduate students electing to take all online courses due to COVID-19 and who were not living in University housing. The University also limited its residential housing capacity to approximately 40 percent for the fall 2020 and spring 2021 semesters.

The University was awarded $34.4 million through the State from the Coronavirus Relief Fund (CRF) and $1.0 million from the Governor's Emergency Education Relief Fund (GEERF) in fiscal year 2021. The CRF amount consists of $20.0 million that offsets the pro rata housing and dining refunds of $33.6 million issued to students in fiscal year 2020 and $14.4 million that offsets certain eligible COVID-19 expenses incurred in fiscal years 2020 and 2021. The $1.0 million from GEERF was used to help stabilize fee revenues impacted by the pandemic in fiscal year 2021. The total $35.4 million was recorded 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, 2021.

Additionally, the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA) and the American Rescue Plan Act (ARPA) were passed by U.S. Congress and signed into law on December 27, 2020, and March 11, 2021, respectively. As part of the law, CRRSAA and ARPA authorized the Higher Education Emergency Relief Fund (HEERF) II and III, respectively, which included emergency grants for students facing expenses due to COVID-19.

During fiscal year 2021, the University was awarded $32.1 million in HEERF II funding, of which $10.8 million was provided as emergency grants to students. The $10.8 million represents the same amount previously allocated under HEERF I, which was authorized by the Coronavirus Aid, Relief, and Economic Security Act (CARES) in fiscal year 2020, and represents the minimum amount that the institution must use for financial aid grants to students. The remaining funds were allocated to the University to cover lost revenues and expenses related to COVID-19. The HEERF II award was recorded as federal and state financial aid under nonoperating revenues and the emergency grants disbursed to students were recorded as scholarships and fellowships under operating expenses in the accompanying Statement of Revenues, Expenses, and Changes in Net Position for the fiscal year ended June 30, 2021.

HEERF III uses the same model established under CARES HEERF I where institutions are required to use no less than 50 percent of the full allocation to provide emergency financial aid to students and no more than 50 percent can be spent on institutional use. In fiscal year 2021, $56.9 million in HEERF III funding was made available to the University, of which $28.5 million is designated for emergency grants to students, however, these funds were not yet distributed as of June 30, 2021 (see Note 19).

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, 2021 (amounts in thousands):

	2021
Cash and Cash Equivalents	
Cash maintained by State Treasurer	$ 285,316
Invested in STIF	19,517
Other deposits	1,297
Total Cash and Cash Equivalents	306,130
Deposits with Bond Trustee	
Invested in STIF	132,768
Total Deposits with Bond Trustee	132,768
Investments	
Foundation-managed endowments	19,495
UConn Innovations Fund, LLC	699
Total Investments	20,194
Total Cash and Cash Equivalents, Deposits, and Investments	$ 459,092

Cash and Cash Equivalents

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

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

STIF is a money market investment pool in which the State, municipal entities, and other political subdivisions of the State are eligible to invest. The State Treasurer is authorized to invest monies of STIF in United States government and agency obligations, certificates of deposit, commercial paper, corporate bonds, savings accounts, bankers' acceptances, repurchase agreements, asset-backed securities, and student loans. STIF had a

Standard and Poor's rating of AAAm and a weighted average maturity of 31 days as of June 30, 2021.

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, 2021, deposits with bond trustee included $132.8 million invested in STIF. Of this amount, $13.4 million 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, 2021, net appreciation gains of $5.3 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.

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 6.50 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 return.

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

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

The endowments invested with the Foundation are subject to risk due to the uncollateralized nature of most of its investments. Certain investments of the Foundation include external investment pools. Publicly traded fixed income investments totaled $2.0 million as of June 30, 2021. 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 $1.8 million as of June 30, 2021. Private capital investments totaled approximately $463,000 as of June 30, 2021.

Other Investments

Certain investments are also held directly by the University. The University held an ownership interest in UConn Innovation Fund, LLC as of June 30, 2021 (see Note 15).

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 (see Note 1). 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 $19.9 million as of June 30, 2021. Investment income earned on these assets is transferred to the University in accordance with applicable trust agreements. Income received from those sources for the year ended June 30, 2021, was $693,000.

Fair Value Measurement

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

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

The fair value amounts presented in the following table are intended to permit reconciliation of the fair value hierarchy to the investment balance presented in the Statement of Net Position and the Statement of Fiduciary Net Position as of June 30, 2021 (amounts in thousands):

	2021				
	Level 1	Level 2	Level 3	NAV	Total
Foundation-Managed Investments					
Cash and cash equivalents	$ 1,046	$ -	$ -	$ -	$ 1,046
Fixed income securities					
Corporate investment grade	2,027	-	-	-	2,027
Equity securities					
Domestic	12,698	-	-	-	12,698
Offshore	1,778	-	-	-	1,778
Private capital					
Buyout and venture capital	-	-	-	304	304
Debt	-	-	-	156	156
Royalties	-	-	-	3	3
Long and short equities	-	-	-	1	1
Private real estate	-	-	-	13	13
Private natural resources	-	-	-	245	245
Relative value	-	-	-	1,224	1,224
Total Foundation-Managed Investments	17,549	-	-	1,946	19,495
University-Held Investments					
Other	-	-	-	699	699
Total University-Held Investments	-	-	-	699	699
Total Investments – University	$ 17,549	$ -	$ -	$ 2,645	$ 20,194
Fiduciary Investments					
Equity securities	$ 7,366	$ -	$ -	$ -	$ 7,366
Debt securities	5,551	-	-	-	5,551
Total Investments – Fiduciary	$ 12,917	$ -	$ -	$ -	$ 12,917

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, 2021 (amounts in thousands):

	2021				
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	$ 464	$ 112	Less than 1 to 8 years	Not applicable	Not redeemable
Private real estate partnerships in commercial, residential, office, and industrial properties	13	35	1 to 3 years	Not applicable	Not redeemable
Natural resource partnerships in energy and timber	245	36	1 to 5 years	Not applicable	Not redeemable
Total	$ 722	$ 183			

NOTE 3. ACCOUNTS AND LOANS RECEIVABLE

Accounts receivable as of June 30, 2021, consisted of the following (amounts in thousands):

	2021
Grants and contracts	$ 52,279
Student and general	27,142
Investment income	46
Allowance for doubtful accounts	(10,045)
Total Accounts Receivable, Net	$ 69,422

The University participates in the U.S. Department of Education Federal Direct Lending Program. Under this program, the University distributed loans of $166.1 million in fiscal year 2021 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, 2021, was $1.0 million; this amount was included as a receivable under grants and contracts.

The University reported student and other loans receivable of $5.4 million for the fiscal year ended June 30, 2021. This balance is primarily composed of amounts owed from students under the U.S. Department of Education Federal Perkins Loan Program and are reported separately from accounts receivable in the accompanying Statement of Net Position. The 2021 amount is reported net of an allowance for doubtful accounts of $1.1 million at June 30, 2021. See Note 7 for information regarding the closeout of the Federal Perkins Loan Program.

NOTE 4. PROPERTY AND EQUIPMENT

The following table reflects the changes in property and equipment for the year ended June 30, 2021 (amounts in thousands):

	Balance July 1, 2020	Additions	Retirements	Transfers	Balance June 30, 2021
Capital Assets Not Being Depreciated					
Land	$ 31,133	$ -	$ -	$ -	$ 31,133
Construction in progress	221,376	88,868	-	(165,087)	145,157
Art and historical collections	56,672	96	-	-	56,768
Total Capital Assets Not Being Depreciated	309,181	88,964	-	(165,087)	233,058
Depreciable Capital Assets					
Non-structural improvements	489,111	19,134	(281)	31,117	539,081
Buildings and improvements	2,741,674	74,219	(284)	133,970	2,949,579
Intangible assets	55,187	10,531	(979)	-	64,739
Library materials	55,197	390	-	-	55,587
Equipment	291,626	14,951	(7,058)	-	299,519
Total Depreciable Capital Assets	3,632,795	119,225	(8,602)	165,087	3,908,505
Less Accumulated Depreciation					
Non-structural improvements	178,948	13,522	(281)	-	192,189
Buildings and improvements	1,203,983	84,321	(194)	-	1,288,110
Intangible assets	34,563	6,892	(979)	-	40,476
Library materials	50,364	1,083	-	-	51,447
Equipment	200,956	16,877	(7,010)	-	210,823
Total Accumulated Depreciation	1,668,814	122,695	(8,464)	-	1,783,045
Depreciable Capital Assets, Net	1,963,981	(3,470)	(138)	165,087	2,125,460
Property and Equipment, Net	$ 2,273,162	$ 85,494	$ (138)	$ -	$ 2,358,518

The University capitalized $1.1 million of net interest cost for the year ended June 30, 2021.

NOTE 5. UNEARNED REVENUE

As of June 30, 2021, unearned revenue included the following (amounts in thousands):

	2021
Tuition, fees, and other student charges	$ 12,924
Amounts received from grant sponsors	18,716
Athletic tickets, commitments, and other	5,720
Total Unearned Revenue	$ 37,360

NOTE 6. LONG-TERM DEBT AND BONDS PAYABLE

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

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

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

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

UCONN 2000 is to be funded in part by the issuance of $4,307.9 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 special obligation bonds, other University debt obligations, State general obligation bonds, from gifts, and other revenue or borrowing resources of the University.

The University has also issued several series of general obligation refunding bonds, providing debt service savings for bonds refunded in advance of maturity. Sufficient proceeds are deposited into irrevocable escrow accounts held by the Trustee Bank to meet all obligations on the refunded debt. These bonds are general obligations of the University, for which its full faith and credit are pledged, and are payable from all assured revenues. The bonds are additionally secured by the pledge of and a lien upon the State debt service commitment. The University, consistent with the Act, is relying upon the receipt of the annual amount of the pledged State debt service commitment for the payment of the bonds and, accordingly, is not planning to budget any revenues for the payment of these bonds. Under the Master Indenture, the University expects to issue additional bonds to finance UCONN 2000 projects secured by the State debt service commitment.

In December 2020, the University issued general obligation bonds at a face value of $279.3 million, comprising $160.2 million of 2020 Series A Bonds and $119.1 million of 2020 Refunding Series A Bonds. The total bonds were issued at a premium of $63.7 million. Total net proceeds realized from the 2020 Series A Bonds were $200.0 million after the payment of issuance costs and underwriter fees. Of this amount, $680,000 was allocated to finance projects at UConn Health.

Net proceeds realized from the 2020 Refunding Series A Bonds were used to refund $43.7 million of the previously issued 2010 Series A Bonds in advance of maturity, $89.8 million of the previously issued 2011 Series A Bonds in advance of maturity, and $4.8 million of the previously issued 2011 Refunding Series A Bonds in advance of maturity. These refundings reduced the general obligation debt service in future years by $29.0 million and resulted in an economic gain (present value of the savings) of $27.4 million. The difference between the reacquisition price and the net carrying amount of the old debt resulted in a gain of $14.4 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 2031 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, 2021, total State debt service commitment for principal recognized was $140.3 million. The portion of proceeds allocated to UConn Health is recorded as due to affiliate in the accompanying Statement of Net Position. As of June 30, 2021, the unspent portion of this balance was $3.0 million. In addition, nonoperating revenue for State debt service commitment for interest on general obligation bonds of $74.2 million was recognized for the year ended June 30, 2021, of which approximately $25.6 million was associated with UConn Health projects. As of June 30, 2021, approximately $534.3 million of the total outstanding principal on general obligation bonds pertained to proceeds used to finance UConn Health projects.

In addition to general obligation bonds, the University may issue special obligation bonds, also called Student Fee Revenue Bonds, which are backed by certain pledged revenues of the University. There were no special obligation bonds issued or refunded in 2021.

Special obligation bonds are secured by certain pledged revenues as defined in the indenture. In fiscal year 2021, this consisted of gross and net revenues of approximately $33.0 million. Gross pledged revenues include the Infrastructure Maintenance Fee, the General University Fee, and other revenues. Other revenues consist of the FIT (Facilities Investment Together) surcharge on athletic ticket sales plus investment income on the bond accounts held by the Trustee Bank. Net pledged revenues include the residential life room fee, student apartment rentals, Greek housing fee, board (dining) fee, and parking and transportation fees, after providing for the cost of maintaining, repairing, insuring, and operating the facilities for which the fees are imposed and before depreciation expense is deducted. For fiscal year 2021, the University allocated $21.3 million of HEERF II funding to the cost of maintaining, repairing, insuring, and operating the facilities as defined above to help offset significant COVID-19 losses included in the net pledged revenues calculation. In addition to securing revenue bonds, the gross and net pledged revenues available are pledged toward certain other debt. The University has covenanted to collect, in each fiscal year, fees representing pledged revenues so that the sum of gross and net revenue amounts is no less than 1.25 times the debt service requirements in each respective fiscal year for its special obligation bonds.

The total principal and interest remaining to be paid on all special obligation bonds as of June 30, 2021, was $327.7 million. The total amount of $5.7 million for the principal and $10.0 million for the interest was paid on this debt from pledged revenues in fiscal year 2021.

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

Other debt obligations of the University include long-term software commitments, obligations under capital leases, and the American Athletic Conference (AAC) exit fee liability. Long-term software commitments represent the University's obligations to make payments to various vendors in accordance with contract terms in exchange for the right to use certain software applications. Obligations under capital leases consist of the UCONN 2000 Cogeneration Facility and the Stamford residential facility agreements (see Note 8).

The AAC exit fee liability represents the balance owed to the conference after the University's withdrawal in fiscal year 2020. The remaining principal balance of $7.2 million, net of discount for imputed interest at 2.2 percent, is to be paid in six equal annual installments of $1.3 million, commencing on July 1, 2021. The University has the discretion to pay the remainder of the exit fee in full at any time.

Long-term debt activity for the year ended June 30, 2021, was as follows (amounts in thousands):

	Balance July 1, 2020	Additions	Retirements	Balance June 30, 2021	Current Portion
General obligation bonds	$ 1,568,905	$ 279,315	$ (264,560)	$ 1,583,660	$ 127,495
Revenue bonds	206,655	-	(5,740)	200,915	6,010
Obligations under capital leases					
Cogeneration Facility	28,632	-	(4,946)	23,686	5,059
Stamford residential facility	44,117	-	(1,169)	42,948	1,054
Long-term software commitments	7,355	4,799	(2,345)	9,809	3,649
American Athletic Conference exit fee	7,194	-	-	7,194	1,135
Total Long-Term Debt	1,862,858	284,114	(278,760)	1,868,212	144,402
Premiums and discounts	223,648	63,701	(35,813)	251,536	20,184
Total Long-Term Debt, Net	$ 2,086,506	$ 347,815	$ (314,573)	$ 2,119,748	$ 164,586

Long-term debt outstanding as of June 30, 2021, consisted of the following (amounts in thousands):

Type of Debt and Issue Date	Original Amount	Maturity Dates Through Fiscal Year	Interest Rate	2021 Balance
Bonds				
GO 2013 Series A	$ 172,660	2034	2.0-5.0%	$ 112,220
GO 2013 Refunding Series A	51,250	2024	2.0-5.0%	25,690
GO 2014 Series A	109,050	2034	2.0-5.0%	70,870
GO 2014 Refunding Series A	92,940	2025	2.0-5.0%	4,075
GO 2015 Series A	220,165	2035	1.0-5.0%	154,115
GO 2015 Refunding Series A	34,625	2026	4.0-5.0%	17,210
GO 2016 Series A	261,510	2036	3.0-5.0%	196,125
GO 2016 Refunding Series A	80,425	2027	4.0-5.0%	22,255
GO 2017 Series A	311,200	2037	2.5-5.0%	248,960
GO 2017 Refunding Series A	33,950	2022	2.5-5.0%	8,945
GO 2018 Series A	276,075	2038	3.0-5.0%	234,665
GO 2019 Series A	174,785	2038	3.0-5.0%	157,305
GO 2019 Refunding Series A	64,680	2028	5.0%	51,910
GO 2020 Series A	160,230	2041	3.0-5.0%	160,230
GO 2020 Refunding Series A	119,085	2031	1.5-5.0%	119,085
Total General Obligation Bonds	2,162,630			1,583,660
Rev 2012 Refunding Series A	87,980	2030	1.5-5.0%	64,650
Rev 2018 Series A	141,725	2048	3.0-5.25%	136,265
Total Revenue Bonds	229,705			200,915
Total Bonds	2,392,335			1,784,575
Loans and Other Debt				
Obligations under capital leases				
Cogeneration Facility	81,900	2026	2.22%	23,686
Stamford residential facility	47,000	2042	2.62%	42,948
Long-term software commitments	16,675	various	4.94%	9,809
American Athletic Conference exit fee	7,194	2027	2.20%	7,194
Total Loans and Other Debt	152,769			83,637
Total Bonds, Loans, and Other Debt	$ 2,545,104			1,868,212
Add: premiums and discounts				251,536
Total Bonds, Loans, and Other Debt, Net				2,119,748
Less: current portion, net				164,586
Total Noncurrent Portion, Net				$ 1,955,162

Long-term debt, including general obligation bonds, revenue bonds, and other obligations, is scheduled to mature in the following fiscal years as of June 30 (amounts in thousands):

	General Obligation Bonds			Long-Term Debt Other Than General Obligation Bonds			Total Obligations		
Year(s)	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2022	$ 127,495	$ 75,633	$ 203,128	$ 16,907	$ 11,925	$ 28,832	$ 144,402	$ 87,558	$ 231,960
2023	123,615	69,456	193,071	19,540	11,271	30,811	143,155	80,727	223,882
2024	119,095	63,458	182,553	19,461	10,488	29,949	138,556	73,946	212,502
2025	113,895	57,564	171,459	18,925	9,726	28,651	132,820	67,290	200,110
2026	110,035	52,015	162,050	15,882	9,009	24,891	125,917	61,024	186,941
2027-2031	497,910	182,025	679,935	61,125	35,721	96,846	559,035	217,746	776,781
2032-2036	382,200	73,555	455,755	33,443	26,206	59,649	415,643	99,761	515,404
2037-2041	109,415	9,974	119,389	42,204	18,704	60,908	151,619	28,678	180,297
2042-2046	-	-	-	39,695	9,488	49,183	39,695	9,488	49,183
2047-2051	-	-	-	17,370	924	18,294	17,370	924	18,294
Total	$ 1,583,660	$ 583,680	$ 2,167,340	$ 284,552	$ 143,462	$ 428,014	$ 1,868,212	$ 727,142	$ 2,595,354

NOTE 7. OTHER LONG-TERM LIABILITIES

Long-term liability activity other than debt and bonds payable for the year ended June 30, 2021, was as follows (amounts in thousands):

	Balance July 1, 2020	Additions	Deductions	Balance June 30, 2021	Current Portion
Compensated absences	$ 36,788	$ 9,932	$ (3,576)	$ 43,144	$ 20,305
Federal refundable loans	7,891	249	(1,847)	6,293	1,390
Net pension liabilities	1,370,705	255,595	(103,637)	1,522,663	-
Net OPEB liability	1,871,032	330,328	(114,196)	2,087,164	-
Other liabilities					
Service concession arrangement	3,890	-	(720)	3,170	692
Asset retirement obligation	144	-	-	144	-
Total Other Long-Term Liabilities	$ 3,290,450	$ 596,104	$ (223,976)	$ 3,662,578	$ 22,387

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.

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 8. LEASES

Capital Leases

In December 2003, the University entered into a 20-year lease purchase agreement for a project to provide on-site generation of electricity, steam, and chilled water for heating and cooling at the University's Storrs campus. The project initially assumed a total cost of $75.0 million and included construction of a building and the engineering, design, and installation of certain equipment to establish the Cogeneration Facility. The lease was amended in August 2005 as a result of an increase in the total anticipated cost to $81.9 million. After another amendment, the remaining monthly payments decreased from $517,000 to $482,000 beginning August 2013 and the original lease term did not change. In November 2016, the lease was amended again to reflect a new nominal rate, decreasing monthly payments to $462,000 beginning January 2017. Amounts advanced by the lessor include capitalized interest during construction and are reflected as long-term debt in the accompanying Statement of Net Position. At the completion of the lease term, the University has an option to purchase the project assets for $1. The historical cost and accumulated depreciation of the Cogeneration Facility were $82.9 million and $53.6 million, respectively, as of June 30, 2021.

On August 1, 2017, the University entered into a 25-year master sublease agreement for 116 apartment units at 900 Washington Boulevard in Stamford. The apartments serve as the University's residential facility for the Stamford campus. The University will have options to purchase the property on each tenth anniversary of the term, and a right of first refusal if the lessor receives a bona-fide offer to buy the property. Lease payments for the first year of the master sublease total $2.7 million and increase by 1.9 percent annually. The historical cost and accumulated depreciation of the Stamford residential facility were $47.2 million and $5.9 million, respectively, as of June 30, 2021.

All assets subject to capital lease agreements are included in property and equipment in the accompanying Statement of Net Position, and depreciation on these assets is included in depreciation and amortization expense in the accompanying Statement of Revenues, Expenses, and Changes in Net Position (see Note 4). Loans related to these capital lease agreements are included in long-term debt and bonds payable in the accompanying Statement of Net Position (see Note 6).

Operating Leases

The University has leases related to equipment and building space that expire at various dates. Future minimum rental payments at June 30, 2021, under non-cancellable operating leases that exceeded $500,000 each were as follows (amounts in thousands):

Fiscal Year		**Payments**
2022	$	3,896
2023		3,867
2024		3,301
2025		3,161
2026		2,984
Thereafter		6,626
Total	$	23,835

Expenses related to operating lease commitments in excess of $500,000 each were approximately $4.4 million for the fiscal year ended June 30, 2021.

NOTE 9. RETIREMENT PLANS

State Retirement Systems

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

Plan descriptions. SERS is a single-employer defined benefit plan that covers substantially all of the State's full-time employees who are not eligible for another State sponsored retirement plan. Approximately 60 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 COLAs to plan members and their beneficiaries. Generally, the monthly pension benefit is calculated in accordance with 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. A brief summary of benefit terms for each SERS plan is presented below.

Deferred Vesting - SERS

Tier I	10 years of service
Tier II and IIA	Effective July 1, 1997, 5 years of actual state service, 10 years of vesting service, or age 70 with 5 years of service
Tier III and IV	10 years of benefit service

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

Contributions. SERS contribution requirements are established and may be amended by the State legislature subject to the contractual rights established by collective bargaining. The State is required to contribute at an actuarially determined rate. Employee contribution rates for the fiscal year ended June 30, 2021, were as follows:

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

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

Tier I Plan C – 7 percent of earnings

Tier II Hazardous – 6 percent of earnings

Tier II (all others) – 2 percent of earnings

Tier IIA and III Hazardous – 7 percent of earnings

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

Tier IV Hazardous – 8 percent of earnings

Tier IV (all others) – 5 percent of earnings

Contributions may vary for anyone electing to maintain retirement eligibility.

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

Individuals hired on or after July 1, 2011 and before July 1, 2017, who were otherwise eligible for the State Alternate Retirement Plan (ARP), were also eligible to become members of the Hybrid Plan. The Hybrid Plan has defined benefits identical to Tiers II, IIA, and III, but requires employee contributions 3 percent higher than the contribution required from the applicable Tier II, IIA, or III Plan.

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

The University contributes to both plans on behalf of its employees by applying fringe benefit rates assessed by the State to eligible salaries and wages in each participant category. The rates of actual University contributions as a percentage of covered payroll during fiscal year 2021 were 43.3 percent and 34.3 percent for SERS and TRS, respectively. These amounts are expected to finance the costs of benefits earned by employees during the year and any unfunded accrued liability. The University's contributions for fiscal year 2021 were $117.7 million and $455,000 for SERS and TRS, respectively.

Proportionate share of the collective net pension liability (NPL) and pension expense. The total pension liability (TPL) used to calculate the NPL was determined based on the annual actuarial funding valuation reports as of June 30, 2020, for SERS and TRS.

Since the prior valuation, the TRS Board of Directors adopted the following changes in assumptions as the result of an experience study for the five-year period ending June 30, 2019: the annual rate of real wage increase assumption decreased from 0.75 percent to 0.50 percent; payroll growth assumption decreased from 3.25 percent to 3 percent; and rates of withdrawal, disability, retirement, mortality, and assumed rates of salary increase were adjusted to more closely reflect actual and anticipated experience.

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 6.39 percent and 0.04 percent for SERS and TRS, respectively, at the measurement date of June 30, 2020. SERS increased 0.41 of a percentage point from its proportion measured as of June 30, 2020, and TRS increased less than 0.01 of a percentage point from the same measurement date.

The University's proportionate share of the collective NPL at June 30, 2021, and related pension expense for fiscal year 2021 consisted of the following (amounts in thousands):

	SERS	TRS	Total
Proportionate share of the collective NPL	$1,514,874	$ 7,789	$1,522,663
Pension expense	$ 263,497	$ 1,045	$ 264,542

Deferred Outflows and Deferred Inflows of Resources Related to Pensions. At June 30, 2021, 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	$ 40,351	$ 1,702	$ 42,053
Changes in proportion and differences between University contributions and proportionate share of contributions	199,128	513	199,641
Net differences between projected and actual earnings on pension plan investments	25,534	320	25,854
University contributions subsequent to the measurement date	117,659	455	118,114
Difference between expected and actual experience	81,760	-	81,760
Total Deferred Outflows	$464,432	$ 2,990	$467,422
Deferred Inflows of Resources			
Changes in proportion and differences between University contributions and proportionate share of contributions	$ 6,185	$ 234	$ 6,419
Difference between expected and actual experience	-	234	234
Total Deferred Inflows	$ 6,185	$ 468	$ 6,653

The $118.1 million in deferred outflows relating to University contributions made subsequent to the measurement date will be recognized as a reduction of the NPL in the reporting year ending June 30, 2022. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows (amounts in thousands):

Fiscal Year	SERS	TRS	Total
2022	$ 118,270	$ 398	$ 118,668
2023	82,337	468	82,805
2024	80,585	452	81,037
2025	50,902	449	51,351
2026	8,495	242	8,737
Thereafter	-	57	57
Total	$ 340,589	$ 2,066	$ 342,655

At June 30, 2021, the University recorded a payable due to State of $14.3 million in the accompanying Statement of Net Position for the outstanding amount of SERS pension contributions required for the fiscal year ended June 30, 2021.

Actuarial assumptions. The TPL was determined based on the actuarial experience studies for the period July 1, 2011 – June 30, 2015 for SERS and for the period July 1, 2015 – June 30, 2019 for TRS, using the following key actuarial assumptions:

	SERS	TRS
Inflation	2.50%	2.50%
Salary increases, including inflation	3.50% – 19.50%	3.00% – 6.50%
Investment rate of return, net of pension plan investment expense, including inflation	6.90%	6.90%

For SERS, the RP-2014 White Collar Mortality Table projected to 2020 by scale BB at 100 percent for males and 95 percent for females is used for the period after service retirement and for dependent beneficiaries. The RP-2014 Disabled Retiree Mortality Table at 65 percent for males and 85 percent for females is used for the period after disability.

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, 2020 measurement date are summarized in the following table for SERS and TRS:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity fund	20.0%	5.6%
Developed market intl. stock fund	11.0%	6.0%
Emerging market intl. stock fund	9.0%	7.9%
Core fixed income fund	16.0%	2.1%
Inflation linked bond fund	5.0%	1.1%
Emerging market debt fund	5.0%	2.7%
High yield bond fund	6.0%	4.0%
Real estate fund	10.0%	4.5%
Private equity	10.0%	7.3%
Alternative investments	7.0%	2.9%
Liquidity fund	1.0%	0.4%
Total	100.0%	

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

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

	1% Decrease	Current Discount	1% Increase
SERS	$ 1,799,784	$ 1,514,874	$ 1,276,765
TRS	$ 9,741	$ 7,789	$ 6,168

Pension plan fiduciary net position. Detailed information about the fiduciary net position of the SERS and TRS pension plans are available in the State's annual financial report for the fiscal year ended June 30, 2020.

Alternate Retirement Plan

The University also sponsors the State Alternate Retirement Plan (ARP), a defined contribution plan administered through a third-party administrator, Prudential Financial, Inc. 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.

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 prior to 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*.

The University contributes to the plan on behalf of its employees by applying fringe benefit rates assessed by the State to eligible salaries and wages of each ARP participant. The University's ARP pension expense for fiscal year 2021 was $13.8 million. At June 30, 2021, the University recorded a payable due to State of $2.4 million in the accompanying Statement of Net Position for the outstanding amount of ARP contributions required for the fiscal year ended June 30, 2021.

Department of Dining Services

The University's Department of Dining Services (DDS) employs 439 full-time staff, of which 55 participate in either SERS or ARP. The remaining 384 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 on September 1, 1994, or terminated and rehired prior to September 1, 1995, and 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. Participants hired after August 31, 1994, do not receive a DDS match. Participant and State matches are both 100 percent vested. Upon separation of service in accordance with plan provisions, a participant or designated beneficiary can withdraw a lump sum payment or receive annuity payments. Other plan provisions can be found in the 403(b) Retirement Plan document.

For the fiscal year ended June 30, 2021, pension expense was $729,000, net of forfeitures of $13,000, for MPPP, and $60,000 for the 403(b) Retirement Plan. At June 30, 2021, the University recorded payables for outstanding contributions of $364,000 and $30,000, for MPPP and the 403(b) Retirement Plan, respectively, as part of other current liabilities in the accompanying Statement of Net Position. Furthermore, the assets and activities of the MPPP are included in the accompanying Fiduciary Statements in accordance with GASB 84 (see Note 1).

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 annual financial report. 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, are described in the SEBAC 2017 agreement.

Contributions. SEOPEBP is primarily funded on a pay-as-you-go basis. The contribution requirements of the plan members and the State are established and may be amended by the State legislature, or by agreement between the State and employee unions, upon approval by the State legislature. Current active employees contribute a percentage of their salary into 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 that leave State employment prior to completing the required years of service.

Similar to pension, the University contributes to SEOPEBP on behalf of its employees by applying fringe benefit rates assessed by the State to eligible salaries and wages for participants in each retirement plan. This amount is expected to finance retiree healthcare service costs and fund the matching employer portion that is equal to the amount contributed by employees to the RHCF each year beginning on July 1, 2017. The University's rate of actual contributions as a percentage of covered payroll was 15.4 percent and the total amount contributed to the plan was $76.0 million for the fiscal year ended June 30, 2021.

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, 2019, and rolled forward to the measurement date of June 30, 2020. The TOL measured since the prior measurement date of June 30, 2019, reflects changes in actuarial assumptions, including a decrease in the discount rate. The trends for Medicare-eligible retiree costs were updated to reflect final negotiated changes in Medicare Advantage rates for calendar year 2022.

The University's proportion of the collective NOL was based on the University's share of contributions relative to total contributions made to SEOPEBP. Based on this calculation, the University's proportion was 8.87 percent as of the measurement date of June 30, 2020, which was a decrease of 0.18 of a percentage point from its proportion measured as of June 30, 2019.

The University's proportionate share of the collective NOL at June 30, 2021, and related OPEB expense for fiscal year 2021 are shown below (amounts in thousands):

	SEOPEBP
Proportionate share of the collective NOL	$ 2,087,164
OPEB expense	$ 254,950

At June 30, 2021, the University reported deferred outflows and deferred inflows of resources related to OPEB from the following sources (amounts in thousands):

	SEOPEBP
Deferred Outflows of Resources	
University contributions subsequent to the measurement date	$ 75,979
Changes in assumptions	346,448
Changes in proportion	182,041
Net differences between projected and actual earnings on OPEB plan investments	4,116
Total Deferred Outflows	$ 608,584
Deferred Inflows of Resources	
Changes in assumptions	$ 40,531
Changes in proportion	30,465
Difference between expected and actual experience	48,177
Total Deferred Inflows	$ 119,173

The $76.0 million in deferred outflows for contributions made subsequent to the measurement date will be included as a reduction of the NOL in the reporting year ending June 30, 2022. 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
2022	$ 111,342
2023	117,672
2024	126,761
2025	51,465
2026	6,192
Total	$ 413,432

At June 30, 2021, the University recorded a payable due to State of $8.8 million in the accompanying Statement of Net Position for the outstanding amount of SEOPEBP contributions required for the year ended June 30, 2021.

Actuarial assumptions. The TOL was determined by an actuarial valuation as of June 30, 2019, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

	SEOPEBP
Inflation	2.50%
Payroll growth rate	3.50%
Salary increases	3.25% – 4.50%
Discount rate	2.38% as of June 30, 2020
Healthcare cost trend rates	
Medical and prescription drug	6.00% graded to 4.50% over 6 years
Dental	3.00%
Part B	4.50%
Administrative expense	3.00%

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

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

Discount rate. The discount rate changed from 3.58 percent as of June 30, 2019, to 2.38 percent as of June 30, 2020. The projection of cash flows used in calculating the discount rate included employer contributions actuarially determined in accordance with GASB 75 and employee contributions made in accordance with the current SEBAC agreements. The discount rate used is a blend of the long-term expected rate of return on OPEB trust assets and the municipal bond rate. The municipal bond rate is a yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rate of AA/Aa or higher (2.21 percent as of June 30, 2020). The blending is based on sufficiency of projected assets to make projected benefits.

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

	Sensitivity of Discount Rate		
	1% Decrease	Current Discount	1% Increase
SEOPEBP	$ 2,455,111	$ 2,087,164	$ 1,791,379

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	$ 1,749,725	$ 2,087,164	$ 2,521,105

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, 2020.

NOTE 11. DEFERRED OUTFLOWS AND DEFERRED INFLOWS OF RESOURCES

Deferred outflows and deferred inflows of resources consisted of the following as of June 30, 2021 (amounts in thousands):

	2021
Deferred Outflows of Resources	
Accumulated losses on debt refundings	$ 2,469
Amounts related to net pension liabilities	467,422
Amounts related to net OPEB liability	608,584
Amounts related to ARO	128
Total Deferred Outflows of Resources	$ 1,078,603
Deferred Inflows of Resources	
Amounts related to service concession arrangement	$ 4,282
Accumulated gains on debt refundings	17,122
Amounts related to net pension liabilities	6,653
Amounts related to net OPEB liability	119,173
Total Deferred Inflows of Resources	$ 147,230

NOTE 12. SERVICE CONCESSION ARRANGEMENT

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. The University recorded an execution payment for $1.5 million that is amortized over the 10-year period. In March 2017, the contract was amended to include an additional location at the new downtown Hartford campus. The University is obligated to provide bookstore facilities and utilities, including amounts related to the leased locations in Storrs Center and Hartford. Barnes & Noble invested $4.0 million to improve and furnish the bookstore facilities.

At June 30, 2021, the University reported bookstore facilities as capital assets with a carrying amount of $6.2 million and a receivable of $159,000, representing May and June 2021 income. The University also reported a liability of $3.2 million, representing the present value of the lease obligations and utilities, and a deferred inflow of resources of $4.3 million that will be amortized as revenue over the remaining contract term.

NOTE 13. COMMITMENTS

The University had outstanding commitments, in excess of $500,000 each, of $308.4 million as of June 30, 2021. This amount included $297.4 million related to capital projects for the University and $11.0 million in outstanding commitments related to operating expenses. See Note 8 for amounts related to operating leases.

NOTE 14. TUITION WAIVERS AND GRADUATE ASSISTANTSHIPS

The University is required by law to waive tuition for certain veterans and children of veterans, certain students over the age of 62, graduate assistants, and certain other students. The University is also required by collective bargaining agreements to waive tuition for certain employees and their dependents. The University has included the portion of waived tuition related to employees and their dependents as a fringe benefit cost and the same amount as tuition revenue in the accompanying Statement of Revenues, Expenses, and Changes in Net Position. This increased tuition and fee revenues and operating expenses by $6.1 million for the fiscal year ended June 30, 2021. The total amount of waivers not reflected in the accompanying financial statements was $68.1 million in fiscal year 2021. Approximately 89 percent of this amount was provided to graduate assistants.

NOTE 15. 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, 2021, the University recorded $15.1 million in revenues from UConn Health related to services specified in the annual UConn Health MOUs (see Note 1). The University also received amounts from UConn Health related to grants and contracts, sales and services of educational departments and auxiliary enterprises, and for other miscellaneous goods and services. In fiscal year 2021, the University also executed a MOU with UConn Health to provide up to $2.6 million in funding to support the Dermatology Clinic Renovation project. For the balance owed, UConn Health will repay the University $800,000 in fiscal year 2022 and $1.0 million in fiscal year 2023. For the year ended June 30, 2021, the University reported a receivable from UConn Health of $4.4 million.

Other sources of operating revenues related to the UConn Health MOUs as of June 30, 2021, contained the following (amounts in thousands):

	2021
Public safety	$ 8,620
Library services	1,549
Communications (marketing)	1,043
Technology commercialization services	948
Information technology	856
Audit, compliance, privacy	683
Document production	554
Ombudsman and institutional equity	359
Government relations	256
Miscellaneous services	191
Revenue from Affiliate	$ 15,059

Additionally, the University transferred $2.0 million from unrestricted funds to UConn Health for partial support of its Nuclear Magnetic Resonance Facility Upgrade project in fiscal year 2021.

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, 2021 (amounts in thousands):

	2021
Total expenses incurred for guaranteed contractual services provided by the Foundation	$ 11,205
Reimbursements from the Foundation for operating expenses	$ 247
Accrued capital and noncapital gift and grant revenue from the Foundation	$ 28,395
Amount receivable from the Foundation*	$ 6,447

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

The Foundation also has the primary responsibility for alumni engagement activities for the University. The

University has granted the Foundation rights to use the Alumni Center building, which is owned by the University, at an annual rental amount of $1.

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

The State

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

State appropriation and the provision of payments for fringe benefits for the year ended June 30, 2021, consisted of the following (amounts in thousands):

	2021
General Fund appropriation received from the State	$ 206,490
Payments for fringe benefits received from the State	190,230
Increase of General Fund payroll receivable	1,190
Total Appropriation and Payments for Fringe Benefits from the State	$ 397,910

The State may also issue general obligation bonds to fund capital projects at the University. 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. PA 11-57, as amended by PA 14-98, authorized $169.5 million of State General Obligation Bonds to create a technology park on the Storrs campus. The State Bond Commission allocated the total $169.5 million to finance the initial design, development costs, equipment purchases, and construction related to the technology park. These bonds are an obligation of the State and therefore are not recorded as a liability by the University. The unspent portion related to these bonds was $4.5 million as of June 30, 2021, and was included as part of due from 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 commit 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, 2021, the University's contribution totaled $750,000.

Mansfield Downtown Partnership, Inc.

The Mansfield Downtown Partnership, Inc. (MDP) is a not-for-profit corporation that is exempt from taxation under section 501(c)(3) of the Internal Revenue Code and is composed of the Town of Mansfield, the University, and individual business members and residents. MDP is responsible for organizing the enhancement and revitalization of three of the Town of Mansfield's commercial areas: Downtown Storrs, King Hill Road, and Four Corners. In accordance with its governing by-laws, members are required to submit annual dues, as determined by the Board of Directors, in lieu of financial support. In fiscal year 2021, the University paid $150,000 in annual membership dues to MDP.

NOTE 16. OPERATING EXPENSES BY FUNCTIONAL CLASSIFICATION

The table below details the University's operating expenses by functional classification for the year ended June 30, 2021 (amounts in thousands):

	Salaries and Wages	Fringe Benefits	Supplies and Other Expenses	Utilities	Depreciation and Amortization	Scholarships and Fellowships	Total
Instruction	$ 273,917	$ 267,615	$ 26,957	$ 1	$ -	$ 19	$ 568,509
Research	54,944	30,112	31,256	-	-	394	116,706
Public service	26,885	29,154	9,858	-	-	45	65,942
Academic support	76,202	99,715	37,182	-	-	70	213,169
Student services	25,497	32,789	4,825	3	-	-	63,114
Institutional support	38,198	53,328	17,213	-	-	3	108,742
Operations and maintenance	34,789	85,632	53,547	12,995	-	-	186,963
Depreciation and amortization	-	-	-	-	122,695	-	122,695
Scholarships and fellowships	5	(2)	269	-	-	28,182	28,454
Auxiliary enterprises	86,788	86,783	45,297	4,296	-	153	223,317
Total	$ 617,225	$ 685,126	$ 226,404	$ 17,295	$ 122,695	$ 28,866	$ 1,697,611

NOTE 17. CONTINGENCIES

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

Hazardous environmental conditions in excess of the U.S. Environmental Protection Agency thresholds were identified in certain properties abutting the former Stamford parking garage. As of June 30, 2021, a liability in the amount of $6.2 million was recorded under current liabilities in the accompanying Statement of Net Position to complete 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 18. SPECIAL ITEM

Effective July 1, 2020, the University joined the Big East Conference (Big East) after its withdrawal from the AAC on June 30, 2020. Pursuant to the agreement with the Big East, the University was obligated to pay an entrance fee of $3.5 million that was expensed in fiscal year 2021. This transaction was deemed significant and infrequent in occurrence and therefore was reported as a special item in the accompanying Statement of Revenues, Expenses, and Changes in Net Position for the fiscal year ended June 30, 2021.

NOTE 19. SUBSEQUENT EVENTS

COVID-19

Subsequent to year-end, the University began disbursing HEERF III funds designated for emergency grants to students. The University expects to disburse the entire HEERF III student aid portion of $28.5 million by spring 2022. The University also began drawing down the institutional portion of HEERF III funding in fiscal year 2022 to offset revenue losses incurred by the pandemic.

In addition to the direct federal funding received in fiscal years 2021 and 2022, the State allotted $25.0 million to the University for fiscal year 2022. The allotment includes $5.0 million from the CRF to offset certain eligible COVID-19 expenses and $20.0 million through the State's ARPA allocation. The $20.0 million will be used to offset housing, dining, and other revenue losses incurred as a result of COVID-19.

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	2021	2020	2019	2018	2017	2016	2015
Proportion of the collective NPL	6.39%	5.98%	5.05%	4.78%	4.91%	4.88%	4.51%
Proportionate share of the collective NPL	$ 1,514,874	$ 1,364,546	$ 1,095,530	$ 1,007,992	$ 1,126,394	$ 805,629	$ 722,009
University's covered payroll	$ 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	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	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	2021	2020	2019	2018	2017	2016	2015
Contractually required employer contribution	$ 117,659	$ 103,218	$ 94,410	$ 72,898	$ 73,781	$ 73,668	$ 66,875
Actual University contributions	117,659	103,218	94,410	72,898	73,781	73,668	66,875
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -
University's covered payroll	$ 271,584	$ 265,921	$ 227,836	$ 198,089	$ 195,810	$ 200,845	$ 189,903
Actual University contributions as a percentage of covered payroll	43.32%	38.82%	41.44%	36.80%	37.68%	36.68%	35.22%

Notes to Required Schedules:

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

Changes of Benefit Terms

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

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	2021	2020	2019	2018	2017	2016	2015
Proportion of the collective NPL	0.04%	0.04%	0.04%	0.03%	0.03%	0.04%	0.04%
Proportionate share of the collective NPL	$ 7,789	$ 6,159	$ 4,748	$ 4,717	$ 4,976	$ 4,430	$ 4,090
University's covered payroll	$ 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	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	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	2021	2020	2019	2018	2017	2016	2015
Contractually required employer contribution	$ 455	$ 419	$ 452	$ 304	$ 135	$ 426	$ 425
Actual University contributions	455	419	452	304	135	426	425
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -
University's covered payroll	$ 1,326	$ 1,334	$ 1,148	$ 1,196	$ 1,364	$ 1,372	$ 1,214
Actual University contributions as a percentage of covered payroll	34.31%	31.41%	39.37%	25.42%	9.90%	31.05%	35.01%

Notes to Required Schedules:

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

Changes of Benefit Terms

2020 – Beginning July 1, 2019, annual interest credited on mandatory contributions set at 4 percent; for members retiring on or after July 1, 2019 with a partial refund option election (Plan N), if 50 percent of the benefits paid prior to death do not exceed the Member's mandatory contributions plus interest frozen at the date of the benefit commencement, the difference is paid to the Member's beneficiary.

2019 – Beginning January 1, 2018, TRS member contributions increased from 6 percent to 7 percent of salary.

Changes in Assumptions

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

2021, 2017 – Amounts reported reflect adjustments to rates of withdrawal, disability, retirement, mortality and assumed rates of salary to more closely reflect actual and anticipated experience.

2020 – Reduction in the inflation assumption from 2.75 percent to 2.50 percent; decrease in the investment rate of return assumption from 8.0 percent to 6.9 percent; increase in the annual rate of wage increase assumption from 0.50 percent to 0.75 percent; phase in to a level dollar amortization method for the June 30, 2024 valuation.

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

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

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

Schedule of University OPEB Contributions
($ in thousands)

Fiscal Year Ended June 30	2021	2020	2019	2018
Contractually required employer contribution	$ 75,979	$ 76,889	$ 68,115	$ 60,089
Actual University contributions	75,979	76,889	68,115	60,089
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
University's covered payroll	$ 492,277	$ 473,100	$ 446,237	$ 448,931
Actual University contributions as a percentage of covered payroll	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 2.38 percent, 3.58 percent, 3.95 percent, 3.68 percent for the fiscal reporting years 2021, 2020, 2019, and 2018, respectively.

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

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

STATISTICAL SECTION

Statistical Section
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SCHEDULE OF REVENUES BY SOURCE

Last Ten Fiscal Years

($ in thousands)

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Student tuition and fees, net of scholarship allowances	$ 397,237	$ 422,519	$ 396,780	$ 386,921	$ 367,351	$ 341,809	$ 308,174	$ 279,577	$ 261,641	$ 251,017
Federal grants and contracts	147,547	125,936	121,593	106,561	100,397	104,725	93,807	95,187	96,528	102,814
State and local grants and contracts	16,364	19,944	17,959	19,441	16,931	21,200	20,823	20,170	16,629	11,566
Nongovernmental grants and contracts	20,012	21,042	23,577	18,386	28,005	19,490	20,535	14,619	15,212	13,141
Sales and services of educational departments	25,355	15,688	22,710	23,708	20,325	20,543	21,028	19,280	15,814	17,348
Sales and services of auxiliary enterprises, net of scholarship allowances	73,577	169,016	211,036	210,990	209,851	210,455	201,066	195,525	185,240	181,974
Other sources	26,943	31,960	29,750	14,009	11,909	10,758	12,263	10,168	8,114	6,229
Total Operating Revenues	707,035	806,105	823,405	780,016	754,769	728,980	677,696	634,526	599,178	584,089
State appropriation	397,910	376,866	356,898	342,987	374,113	384,747	350,699	308,069	288,456	282,370
State debt service commitment for interest	74,170	78,963	77,333	70,740	64,757	53,092	46,635	42,091	40,571	39,755
Federal and state financial aid	115,892	64,549	42,222	37,986	34,800	38,968	35,684	32,647	31,456	32,176
Gifts	24,715	21,790	28,185	19,732	23,628	25,380	23,828	21,703	19,996	24,377
Investment income	794	7,881	11,957	6,059	2,996	1,448	889	799	859	898
Other nonoperating revenues, net	2,594	207	745	-	-	-	-	-	352	-
Total Nonoperating Revenues	616,075	550,256	517,340	477,504	500,294	503,635	457,735	405,309	381,690	379,576
	$ 1,323,110	**$ 1,356,361**	**$ 1,340,745**	**$ 1,257,520**	**$ 1,255,063**	**$ 1,232,615**	**$ 1,135,431**	**$ 1,039,835**	**$ 980,868**	**$ 963,665**

(% of total revenues)

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Student tuition and fees, net of scholarship allowances	30.0%	31.1%	29.6%	30.8%	29.3%	27.7%	27.1%	26.9%	26.8%	26.1%
Federal grants and contracts	11.2%	9.3%	9.1%	8.5%	8.0%	8.5%	8.3%	9.2%	9.8%	10.7%
State and local grants and contracts	1.2%	1.5%	1.3%	1.5%	1.3%	1.6%	1.8%	1.9%	1.7%	1.2%
Nongovernmental grants and contracts	1.5%	1.6%	1.8%	1.4%	2.2%	1.6%	1.8%	1.4%	1.6%	1.4%
Sales and services of educational departments	1.9%	1.2%	1.7%	1.9%	1.6%	1.7%	1.9%	1.9%	1.6%	1.8%
Sales and services of auxiliary enterprises, net of scholarship allowances	5.6%	12.4%	15.7%	16.8%	16.7%	17.1%	17.7%	18.8%	18.9%	18.9%
Other sources	2.0%	2.4%	2.2%	1.1%	0.9%	0.9%	1.1%	1.0%	0.8%	0.6%
Total Operating Revenues	53.4%	59.5%	61.4%	62.0%	60.0%	59.1%	59.7%	61.1%	61.2%	60.7%
State appropriation	30.1%	27.8%	26.6%	27.3%	29.9%	31.2%	30.9%	29.6%	29.4%	29.3%
State debt service commitment for interest	5.6%	5.8%	5.8%	5.6%	5.2%	4.3%	4.1%	4.0%	4.1%	4.1%
Federal and state financial aid	8.7%	4.7%	3.1%	3.0%	2.8%	3.2%	3.1%	3.1%	3.2%	3.3%
Gifts	1.9%	1.6%	2.1%	1.6%	1.9%	2.1%	2.1%	2.1%	2.0%	2.5%
Investment income	0.1%	0.6%	0.9%	0.5%	0.2%	0.1%	0.1%	0.1%	0.1%	0.1%
Other nonoperating revenues, net	0.2%	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total Nonoperating Revenues	46.6%	40.5%	38.6%	38.0%	40.0%	40.9%	40.3%	38.9%	38.8%	39.3%
	100.0%	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**

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

SCHEDULE OF EXPENSES BY NATURAL CLASSIFICATION
Last Ten Fiscal Years

($ in thousands)

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Salaries and wages	$ 617,225	$ 602,873	$ 569,872	$ 569,359	$ 556,411	$ 557,497	$ 542,082	$ 521,076	$ 482,685	$ 474,385
Fringe benefits	685,126	597,737	417,689	338,545	349,328	287,553	271,164	237,715	190,549	172,765
Supplies and other expenses	226,404	257,977	279,602	264,456	245,357	245,871	217,413	211,654	205,774	190,442
Utilities	17,295	20,167	21,063	19,655	19,039	19,737	23,212	20,963	19,725	21,684
Depreciation and amortization	122,695	117,870	119,346	108,185	104,807	98,767	95,990	95,377	91,713	88,478
Scholarships and fellowships	28,866	23,367	11,409	8,870	11,791	12,437	10,713	10,953	8,070	9,039
Total Operating Expenses	1,697,611	1,619,991	1,418,981	1,309,070	1,286,733	1,221,862	1,160,574	1,097,738	998,516	956,793
Interest expense	66,114	71,102	70,460	64,672	59,129	51,333	46,420	45,955	46,961	47,117
Disposal of property and equipment, net	3	1,912	2,345	1,524	1,418	8,486	473	1,043	(103)	540
Other nonoperating expenses, net	-	-	-	2,475	1,776	3,893	1,540	1,873	-	1,635
Total Nonoperating Expenses	66,117	73,014	72,805	68,671	62,323	63,712	48,433	48,871	46,858	49,292
	$ 1,763,728	**$ 1,693,005**	**$ 1,491,786**	**$ 1,377,741**	**$ 1,349,056**	**$ 1,285,574**	**$ 1,209,007**	**$ 1,146,609**	**$ 1,045,374**	**$ 1,006,085**

(% of total expenses)

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Salaries and wages	35.0%	35.6%	38.2%	41.3%	41.2%	43.3%	44.8%	45.4%	46.1%	47.1%
Fringe benefits	38.8%	35.3%	28.0%	24.6%	25.9%	22.4%	22.5%	20.7%	18.2%	17.2%
Supplies and other expenses	12.9%	15.2%	18.7%	19.2%	18.2%	19.1%	18.1%	18.5%	19.7%	18.8%
Utilities	1.0%	1.2%	1.4%	1.4%	1.4%	1.5%	1.9%	1.8%	1.9%	2.2%
Depreciation and amortization	7.0%	7.0%	8.0%	7.9%	7.8%	7.7%	7.9%	8.3%	8.8%	8.8%
Scholarships and fellowships	1.6%	1.4%	0.8%	0.6%	0.9%	1.0%	0.9%	1.0%	0.8%	0.9%
Total Operating Expenses	96.3%	95.7%	95.1%	95.0%	95.4%	95.0%	96.1%	95.7%	95.5%	95.0%
Interest expense	3.7%	4.2%	4.7%	4.7%	4.4%	4.0%	3.8%	4.0%	4.5%	4.7%
Disposal of property and equipment, net	0.0%	0.1%	0.2%	0.1%	0.1%	0.7%	0.0%	0.1%	0.0%	0.1%
Other nonoperating expenses, net	0.0%	0.0%	0.0%	0.2%	0.1%	0.3%	0.1%	0.2%	0.0%	0.2%
Total Nonoperating Expenses	3.7%	4.3%	4.9%	5.0%	4.6%	5.0%	3.9%	4.3%	4.5%	5.0%
	100.0%	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**

SCHEDULE OF EXPENSES BY FUNCTION

Last Ten Fiscal Years

($ in thousands)

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Instruction	$ 568,509	$ 518,689	$ 438,702	$ 419,691	$ 419,251	$ 390,364	$ 382,256	$ 353,251	$ 302,202	$ 291,370
Research	116,706	102,859	97,258	88,469	80,953	80,070	73,596	79,484	74,948	73,509
Public service	65,942	66,985	56,081	49,417	53,116	53,903	48,884	41,919	39,068	35,478
Academic support	213,169	204,759	170,050	147,264	138,912	139,643	131,914	125,557	117,679	108,340
Student services	63,114	62,243	49,730	44,856	40,087	38,916	36,955	36,787	33,315	35,256
Institutional support	108,742	106,092	90,086	75,357	74,226	66,580	57,330	54,484	51,358	53,465
Operations and maintenance of plant	186,963	178,009	151,589	138,184	137,259	122,034	114,889	105,148	94,961	100,402
Depreciation and amortization	122,695	117,870	119,346	108,185	104,807	98,767	95,990	95,377	91,713	88,478
Scholarships and fellowships	28,454	23,449	10,979	8,232	10,306	9,748	9,127	8,796	7,154	6,107
Auxiliary enterprises	223,317	239,036	235,160	229,415	227,816	221,837	209,633	196,935	186,118	164,388
Interest expense	66,114	71,102	70,460	64,672	59,129	51,333	46,420	45,955	46,961	47,117
Disposal of property and equipment, net	3	1,912	2,345	1,524	1,418	8,486	473	1,043	(103)	540
Other nonoperating expenses, net	-	-	-	2,475	1,776	3,893	1,540	1,873	-	1,635
	$ 1,763,728	**$ 1,693,005**	**$ 1,491,786**	**$ 1,377,741**	**$ 1,349,056**	**$ 1,285,574**	**$ 1,209,007**	**$ 1,146,609**	**$ 1,045,374**	**$ 1,006,085**

(% of total expenses)

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Instruction	32.2%	30.5%	29.4%	30.5%	31.1%	30.3%	31.7%	30.7%	28.8%	28.9%
Research	6.6%	6.1%	6.5%	6.4%	6.0%	6.2%	6.1%	6.9%	7.2%	7.3%
Public service	3.7%	4.0%	3.8%	3.6%	3.9%	4.2%	4.0%	3.7%	3.7%	3.5%
Academic support	12.1%	12.1%	11.4%	10.7%	10.2%	10.8%	10.9%	10.9%	11.3%	10.8%
Student services	3.6%	3.7%	3.3%	3.3%	3.0%	3.0%	3.1%	3.2%	3.2%	3.5%
Institutional support	6.2%	6.3%	6.0%	5.5%	5.5%	5.2%	4.7%	4.8%	4.9%	5.3%
Operations and maintenance of plant	10.6%	10.5%	10.2%	10.0%	10.2%	9.5%	9.5%	9.2%	9.1%	10.0%
Depreciation and amortization	7.0%	7.0%	8.0%	7.8%	7.8%	7.7%	7.9%	8.3%	8.8%	8.8%
Scholarships and fellowships	1.6%	1.4%	0.7%	0.6%	0.8%	0.8%	0.8%	0.8%	0.7%	0.6%
Auxiliary enterprises	12.7%	14.1%	15.8%	16.6%	16.9%	17.3%	17.4%	17.2%	17.8%	16.3%
Interest expense	3.7%	4.2%	4.7%	4.7%	4.4%	4.0%	3.8%	4.0%	4.5%	4.7%
Disposal of property and equipment, net	0.0%	0.1%	0.2%	0.1%	0.1%	0.7%	0.0%	0.1%	0.0%	0.1%
Other nonoperating expenses, net	0.0%	0.0%	0.0%	0.2%	0.1%	0.3%	0.1%	0.2%	0.0%	0.2%
	100.0%	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**

SCHEDULE OF NET POSITION AND CHANGES IN NET POSITION

Last Ten Fiscal Years

($ in thousands)

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Total revenues	$ 1,323,110	$ 1,356,361	$ 1,340,745	$ 1,257,520	$ 1,255,063	$ 1,232,615	$ 1,135,431	$ 1,039,835	$ 980,868	$ 963,665
Total expenses	1,763,728	1,693,005	1,491,786	1,377,741	1,349,056	1,285,574	1,209,007	1,146,609	1,045,374	1,006,085
Loss Before Other Changes in Net Position	(440,618)	(336,644)	(151,041)	(120,221)	(93,993)	(52,959)	(73,576)	(106,774)	(64,506)	(42,420)
State debt service commitment for principal	140,295	-	154,405	187,269	281,576	103,400	56,430	80,346	-	115,400
Capital allocation	-	-	-	-	-	-	131,500	(20)	20,000	18,000
Capital grants and gifts	11,640	2,276	3,907	5,099	1,388	5,071	25,412	21,643	6,675	2,768
Additions to permanent endowments	164	171	171	338	1,149	14	66	743	13	-
Athletic conference fee	(3,500)	(16,436)	-	-	-	-	-	-	-	-
Transfer to affiliate	(2,000)	-	-	-	-	-	-	-	-	-
Total Changes in Net Position	(294,019)	(350,633)	7,442	72,485	190,120	55,526	139,832	(4,062)	(37,818)	93,748
Net position, beginning	(251,773)	98,860	80,228	1,243,245	1,053,125	997,599	1,435,360	1,439,422	1,477,240	1,395,355
Prior period adjustment	-	-	11,190 (1)	(1,235,502) (2)	-	-	(577,593) (3)	-	-	(11,863) (4)
Net Position, Ending	**$ (545,792)**	**$ (251,773)**	**$ 98,860**	**$ 80,228**	**$ 1,243,245**	**$ 1,053,125**	**$ 997,599**	**$ 1,435,360**	**$ 1,439,422**	**$ 1,477,240**
Net investment in capital assets	$ 1,820,249	$ 1,763,712	$ 1,681,657	$ 1,682,317	$ 1,557,469	$ 1,365,918	$ 1,207,892	$ 1,187,602	$ 1,217,408	$ 1,160,216
Restricted nonexpendable	14,164	15,132	15,005	15,044	14,483	12,593	13,091	13,546	11,902	11,574
Restricted expendable										
Research, instruction, scholarships and other	25,824	16,582	21,716	32,273	34,058	24,455	19,334	15,465	20,602	19,535
Loans	1,981	2,180	2,608	2,566	2,543	2,520	2,533	2,482	2,469	2,426
Capital projects and debt service	78,961	48,881	176,785	134,453	89,146	49,637	184,023	85,447	33,551	115,315
Unrestricted	(2,486,971)	(2,098,260)	(1,798,911)	(1,786,425)	(454,454)	(401,998)	(429,274)	130,818	153,490	168,174
Total Net Position	**$ (545,792)**	**$ (251,773)**	**$ 98,860**	**$ 80,228**	**$ 1,243,245**	**$ 1,053,125**	**$ 997,599**	**$ 1,435,360**	**$ 1,439,422**	**$ 1,477,240**

(1) Correction of an error related to compensated absences

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

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

(4) Implementation of GASB 65, Items Previously Reported as Assets and Liabilities

SCHEDULE OF LONG-TERM DEBT

Last Ten Fiscal Years

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

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
General obligation bonds	$ 1,583,660	$ 1,568,905	$ 1,700,180	$ 1,661,785	$ 1,504,995	$ 1,303,870	$ 1,147,985	$ 1,023,985	$ 828,795	$ 903,550
Revenue bonds	200,915	206,655	233,445	240,980	105,955	112,410	118,625	124,615	130,415	154,170
Self-liquidating bonds	-	-	-	-	-	275	349	551	1,050	2,171
Capital lease obligations	66,634	72,749	78,515	84,199	42,818	47,229	51,398	55,437	59,320	62,785
Long-term software commitments	9,809	7,355	7,132	-	-	-	-	-	-	-
Installment loans and other	-	-	25	62	117	5,487	671	1,027	1,319	1,727
American Athletic Conference exit fee	7,194	7,194	-	-	-	-	-	-	-	-
	1,868,212	1,862,858	2,019,297	1,987,026	1,653,885	1,469,271	1,319,028	1,205,615	1,020,899	1,124,403
Premiums and discounts	251,536	223,648	244,077	229,155	201,858	172,757	134,213	107,074	82,980	46,320
Total Long-Term Debt, Net	$ 2,119,748	$ 2,086,506	$ 2,263,374	$ 2,216,181	$ 1,855,743	$ 1,642,028	$ 1,453,241	$ 1,312,689	$ 1,103,879	$ 1,170,723
Full-time equivalent students (1)	29,750	29,530	28,646	29,424	29,220	28,832	28,134	27,461	27,036	27,240
Outstanding debt per student (2)	$ 71,252	$ 70,657	$ 79,012	$ 75,319	$ 63,509	$ 56,952	$ 51,654	$ 47,802	$ 40,830	$ 42,978

(1) Source: IPEDS (Integrated Postsecondary Education Data System) 12-month Instructional Activity surveys for fiscal years 2012 to 2021, including Storrs and Regional Campuses.

(2) 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
2021	$ 48,831	$ 65,041	$ (80,871)	$ (15,830)	$ 33,001	$ (15,772)	2.09
2020	63,018	143,974	(113,267)	30,707	93,725	(37,542)	2.50
2019	53,672	178,576	(131,889)	46,687	100,359	(19,017)	5.28
2018	52,429	173,951	(131,743)	42,208	94,637	(12,432)	7.61
2017	51,486	172,444	(132,742)	39,702	91,188	(11,554)	7.89
2016	50,650	174,991	(134,492)	40,499	91,149	(11,557)	7.89
2015	50,506	168,047	(132,863)	35,184	85,690	(11,552)	7.42
2014	48,515	162,160	(125,014)	37,146	85,661	(11,548)	7.42
2013	45,355	151,766	(120,021)	31,745	77,100	(12,011)	6.42
2012	44,410	150,726	(118,434)	32,292	76,702	(12,667)	6.06

(1) Gross revenues include the infrastructure maintenance fee, the general university fee, and investment income.

(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. Beginning in fiscal year 2019, pledged revenues also includes the FIT (Facilities Investment Together) surcharge.

(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 and 2021 expenses have been reduced by federal Higher Education Emergency Relief Funds of $10.7 million and $21.3 million, respectively. These funds have been identified by the University to offset housing and dining revenue losses incurred by the pandemic.

ADMISSIONS AND ENROLLMENT
Last Ten Fiscal Years

FRESHMEN ADMISSIONS (STORRS)	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Applications	34,437	35,096	34,886	34,198	35,980	34,978	31,280	27,479	29,966	27,247
Offers of admission	19,316	17,346	17,015	16,360	17,560	18,598	15,629	14,745	13,397	12,894
Percent admitted	56%	49%	49%	48%	49%	53%	50%	54%	45%	47%
Enrolled	3,825	3,603	3,749	3,683	3,822	3,774	3,588	3,755	3,114	3,327
Yield (enrolled/offers)	20%	21%	22%	23%	22%	20%	23%	25%	23%	26%
Total average SAT	1,281	1,296	1,306	1,294	1,233	1,233	1,234	1,233	1,226	1,216

ENROLLMENT	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Non-Resident Alien										
Male	2,048	2,232	2,110	2,001	1,890	1,773	1,532	1,301	1,163	1,018
Female	1,711	1,990	1,917	1,847	1,665	1,462	1,277	1,077	1,012	892
Black or African American										
Male	1,023	984	944	885	874	813	756	722	723	756
Female	1,366	1,261	1,211	1,153	1,098	1,053	1,010	981	1,017	1,007
American Indian or Alaska Native										
Male	13	14	22	16	19	18	18	25	25	28
Female	18	16	25	27	25	28	27	29	31	40
Asian										
Male	1,581	1,512	1,500	1,497	1,475	1,372	1,315	1,213	1,194	1,159
Female	1,770	1,688	1,606	1,556	1,467	1,419	1,333	1,189	1,106	1,108
Hispanic/Latino										
Male	1,842	1,643	1,568	1,477	1,386	1,293	1,233	1,132	1,059	1,006
Female	2,588	2,202	2,014	1,800	1,616	1,468	1,393	1,315	1,206	1,149
Native Hawaiian or Other Pacific Islander										
Male	5	5	8	10	8	8	10	8	12	14
Female	8	11	11	13	12	13	13	16	17	14
Two or More Races										
Male	487	454	430	394	364	330	301	258	238	170
Female	596	508	476	464	442	412	408	381	300	197
White										
Male	8,224	8,520	8,821	9,089	9,518	9,809	9,916	10,183	10,416	10,795
Female	8,743	8,647	8,983	9,361	9,581	9,789	10,022	10,102	10,209	10,641
Total Head Count	32,023	31,687	31,646	31,590	31,440	31,060	30,564	29,932	29,728	29,994
Percent female	52.5%	51.5%	51.3%	51.3%	50.6%	50.4%	50.7%	50.4%	50.1%	50.2%
Percent minority	35.3%	32.5%	31.0%	29.4%	27.9%	26.5%	25.6%	24.3%	23.3%	22.2%
Percent non-resident alien	11.7%	13.3%	12.7%	12.2%	11.3%	10.4%	9.2%	7.9%	7.3%	6.4%

White includes other/unknown.

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

ACADEMIC YEAR TUITION AND MANDATORY FEES

Last Ten Fiscal Years

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Undergraduate resident	$ 17,834	$ 17,226	$ 15,730	$ 14,880	$ 14,066	$ 13,366	$ 12,700	$ 12,022	$ 11,242	$ 10,670
Undergraduate non-resident	$ 40,502	$ 39,894	$ 38,098	$ 36,948	$ 35,858	$ 34,908	$ 32,880	$ 30,970	$ 29,074	$ 27,566
Graduate resident	$ 19,664	$ 19,056	$ 17,660	$ 16,810	$ 15,996	$ 15,296	$ 14,472	$ 13,662	$ 12,786	$ 12,130
Graduate non-resident	$ 41,576	$ 40,968	$ 39,272	$ 38,122	$ 37,032	$ 36,082	$ 33,944	$ 31,946	$ 29,994	$ 28,438

DEGREES CONFERRED

Last Ten Fiscal Years

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Associate	33	26	16	21	30	24	20	21	26	25
Bachelor's	5,623	5,731	5,656	5,618	5,530	5,197	5,320	5,200	5,122	5,149
Post-baccalaureate	537	395	369	299	251	229	167	172	140	141
Master's	1,926	1,774	1,895	2,048	1,904	1,750	1,713	1,636	1,527	1,573
Sixth-year education	61	50	54	51	62	66	69	45	56	79
Ph.D.	368	382	418	384	411	379	372	342	340	341
J.D.	138	141	108	89	155	151	156	190	178	204
LL.M.	42	50	53	42	43	44	31	35	30	30
Pharm D.	77	74	92	98	101	99	95	97	94	94
Total	8,805	8,623	8,661	8,650	8,487	7,939	7,943	7,738	7,513	7,636

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

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
FACULTY										
Full-time	1,597	1,537	1,540	1,545	1,518	1,489	1,517	1,485	1,377	1,330
Part-time	45	54	51	53	32	30	33	34	39	43
Total Faculty	1,642	1,591	1,591	1,598	1,550	1,519	1,550	1,519	1,416	1,373
Tenured	908	887	858	854	841	848	877	874	848	841
Percentage tenured	55%	56%	54%	53%	54%	56%	57%	58%	60%	61%
STAFF										
Full-time	3,310	3,297	3,228	3,109	3,198	3,115	3,080	3,063	3,028	2,956
Part-time	147	144	150	150	82	158	186	175	180	181
Total Staff	3,457	3,441	3,378	3,259	3,280	3,273	3,266	3,238	3,208	3,137
Total Faculty and Staff	5,099	5,032	4,969	4,857	4,830	4,792	4,816	4,757	4,624	4,510
Student to faculty ratio*	16 to 1	16 to 1	16 to 1	16 to 1	16 to 1	17 to 1	16 to 1	16 to 1	17 to 1	18 to 1
Full-time and part-time faculty										
Female	44%	43%	42%	41%	41%	41%	39%	39%	40%	40%
Minority	19%	20%	20%	21%	23%	23%	22%	22%	22%	21%
Full-time and part-time staff										
Female	58%	57%	57%	57%	57%	57%	58%	57%	58%	58%
Minority	13%	13%	14%	15%	17%	17%	17%	17%	17%	17%
Staff covered by collective bargaining agreements	92%	90%	90%	90%	90%	90%	91%	91%	90%	91%
Adjunct lecturers	705	749	732	709	690	679	708	696	686	692

**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

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Academic Buildings										
Net assignable square feet (in thousands)	2,888	2,890	2,876	2,847	2,654	2,753	2,753	2,736	2,684	2,604
Number of buildings	157	158	160	170	168	171	171	171	171	172
Auxiliary and Independent Operations Buildings										
Net assignable square feet (in thousands)	4,069	3,937	3,638	3,859	3,753	3,277	3,336	3,279	3,279	3,396
Number of buildings	177	178	185	190	189	193	209	213	213	217
Administrative and Support Buildings										
Net assignable square feet (in thousands)	888	883	887	832	852	964	949	949	949	948
Number of buildings	80	81	83	83	88	97	96	96	96	95
Total Net Assignable Square Feet (in thousands)	7,845	7,710	7,401	7,538	7,259	6,994	7,038	6,964	6,912	6,948
Total Number of Buildings	414	417	428	443	445	461	476	480	480	484

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

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Residential halls*	101	102	101	100	101	115	115	116	117	116
Residential hall occupancy	4,911	12,580	12,712	12,597	12,699	12,723	12,711	12,668	12,469	12,716
Percentage of main campus undergraduates in campus housing	25%	65%	65%	66%	67%	70%	71%	72%	72%	73%

**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)
2021	290,146,700,000	3,544,930	81,848	8.5%
2020	290,641,600,000	3,561,513	81,606	5.1%
2019	284,136,600,000	3,570,160	79,587	3.8%
2018	265,636,709,000	3,588,236	74,030	4.5%
2017	251,389,254,000	3,568,714	70,443	4.8%
2016	252,249,206,000	3,586,640	70,330	5.5%
2015	240,602,679,000	3,591,282	66,996	6.1%
2014	232,600,172,000	3,596,922	64,666	7.1%
2013	222,984,316,000	3,598,628	61,964	8.1%
2012	224,252,008,000	3,593,857	62,399	8.4%

(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	2021 Employees in CT	2021 Percentage of Total CT Employment	Rank
Hartford HealthCare	33,000	1.9%	1
Yale New Haven Health Sys	20,474	1.2%	2
United Technologies Corp. UTC	19,000	1.1%	3
Yale University	15,404	0.9%	4
General Dynamics/Electric Boat	12,000	0.7%	5
Sikorsky Air/Lockheed Martin Co.	8,200	0.5%	6
Wal-Mart Stores Inc.	8,345	0.5%	7
Mohegan Sun Casino	7,400	0.4%	8
The Travelers Cos Inc.	7,000	0.4%	9
The Hartford	6,600	0.4%	10
Total	137,423	7.9%	

	2012 Employees in CT	2012 Percentage of Total CT Employment	Rank	
United Technologies Corp. UTC	27,000	1.6%	1	
Hartford HealthCare	16,621	1.0%	2	
Yale University	14,980	0.9%	3	
Stop & Shop Cos., Inc.	13,574	0.8%	4	(1)
Hartford Financial Services	10,300	0.6%	5	
Wal-Mart Stores Inc.	9,204	0.5%	6	(1)
Yale New Haven Hospital	8,953	0.5%	7	
Foxwoods Resort Casino	8,700	0.5%	8	
General Dynamics/Electric Boat	8,346	0.5%	9	
Mohegan Sun Casino	8,200	0.5%	10	
Total	125,878	7.4%		

Sources: Businesses websites

(1) Omitted from the 2012 HBJ Survey. The number equals the employees reported by HBJ in 2008

UNIVERSITY OF CONNECTICUT

1881

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Schedule 2

<u>Audited Financial Statements of the University of Connecticut Health Center for Fiscal Year Ended June 30, 2021</u>

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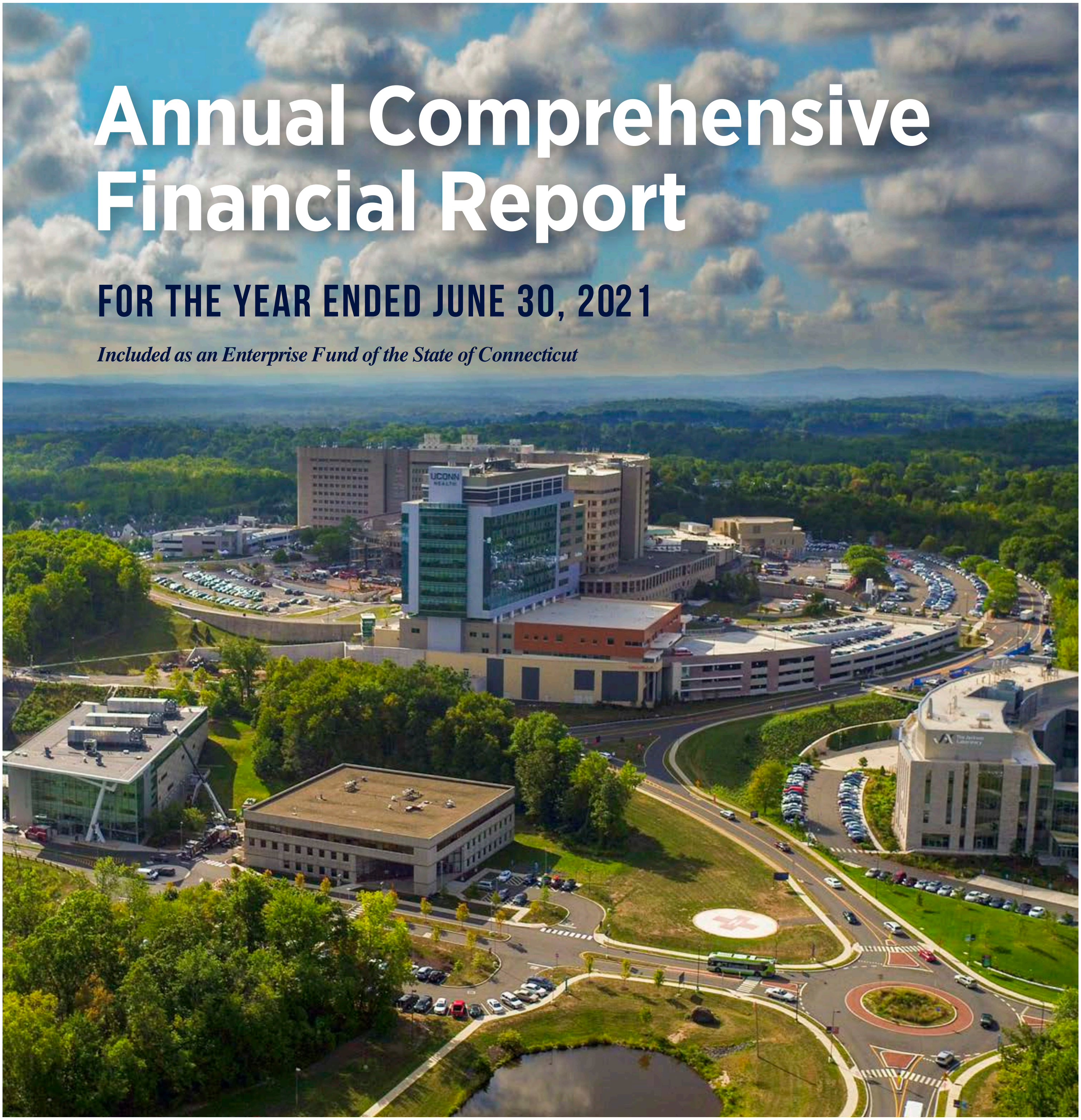
Annual Comprehensive Financial Report

FOR THE YEAR ENDED JUNE 30, 2021

Included as an Enterprise Fund of the State of Connecticut



UCONN HEALTH

UCONN HEALTH

Annual Comprehensive Financial Report

For the Year Ended June 30, 2021

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INTRODUCTORY SECTION

Letter of Transmittal

Founded in 1881, the University of Connecticut (the "University") serves as the state's flagship for higher education, meeting the educational needs of undergraduate, graduate, professional, and continuing education students through the integration of teaching, research, and service. The University of Connecticut is a comprehensive institution of higher education which includes the University of Connecticut Health Center ("UConn Health"). Although governed by a single Board of Trustees, the University and UConn Health maintain separate budgets and are by statute separate entities for purposes of maintaining operating funds and State appropriations. UConn Health also has a Board of Directors to whom the Board of Trustees has delegated certain responsibility and authority. The financial statements contained herein represent the transactions and balances of UConn Health only.

The University's Board of Trustees is vested by law with fiscal oversight of the University. The operational authority granted to the University builds upon the successful implementation of several pieces of legislation known as the Flexibility Acts, enacted in the early 1990's. These statutory changes enabled the University to become responsible and accountable for its operational decisions independent of many of the previously imposed regulatory requirements. The University is now responsible for the budgetary allocation of its State appropriations, check-writing authority, human resource control, and purchasing authority, and with the advent of UCONN 2000 in 1995, management of capital activities, including projects for UConn Health starting in 2005.

While the University's operational flexibility and capacity has grown, all of these activities also take place within a context of continuing vigilance. The financial statements contained in this report reflect budget execution results consistent with spending plans, operating and capital budgets approved by the University Board of Trustees. The Board of Trustees, through its Joint Audit and Compliance Committee, exercises oversight over all University financial reporting and processes and internal control systems, as well as direct engagement in the approval of independent auditing services to augment the University's internal audit capacity and the work performed by state auditors. An important component of external oversight, the Auditors of Public Accounts issue an Independent Auditors' Report on the financial statements of UConn Health. They are responsible for auditing its financial operations and their opinion appears in this report.

Established in 1961, with a mission of teaching, research and patient care. UConn Health is Connecticut's only public academic medical center comprised of UConn School of Medicine, School of Dental Medicine and their associated Education Clinics, a Research Enterprise, John Dempsey Hospital (the Hospital), UConn Medical Group (UMG) and the University of Connecticut Finance Corporation (Finance Corporation) and its subsidiaries on the campus in Farmington. There are an additional nine clinical care community locations throughout the state. UConn Health is dedicated to helping people achieve and maintain healthy lives and restoring wellness and health to the maximum attainable levels. UConn Health will consistently pursue excellence and innovation in the education of health professionals; the discovery, dissemination and utilization of new knowledge; the provision of patient care; and the promotion of wellness.

With approximately 4,600 full time employees (FTE's), UConn Health is one of Connecticut's largest employers and an important contributor to the local and regional economy. UConn Health's campus in Farmington is situated on 209 acres of wooded hilltop from which the skyline of Hartford, the capital of Connecticut, can be seen about eight miles to the east. (The University's main campus is in Storrs, about 30 miles east of Hartford.) UConn Health's campus includes 26 buildings totaling close to 2.8 million total square feet.

Educational Programs

Dedicated to providing broad educational opportunities in the biomedical sciences, UConn Health offers degree programs in medicine (M.D.), dental medicine (D.M.D.), and biomedical science (Ph.D.); master's degree programs in public health and dental science; postdoctoral fellowships; residency programs providing specialty training for newly graduated physicians and dentists; and continuing education programs for practicing health care professionals. Combined degree programs, such

as the M.D./Ph.D., D.M.D./Ph.D., Dental Clinical Specialty/Ph.D. and M.D./M.P.H. are also offered.
UConn Health is the only academic health center in the nation where a medical school was founded concurrently with a dental school, a circumstance which has led to strong links. Medical and dental students share an essentially common curriculum during the first two years of their four-year degree programs and study the basic medical sciences together. This experience provides UConn's dental students with an especially strong foundation in the biomedical sciences, reflected in the dental school's decision to award its graduates the D.M.D. (Doctor of Medical Dentistry). School of Dental Medicine students have a long history of outstanding performance on the National Boards.

Each year at UConn Health, approximately 450 students work toward the medical doctor's degree and 200 toward the doctor of medical dentistry degree. Admission to each school is highly competitive but both schools offer preferential consideration to qualified Connecticut residents in their admissions policies.

In the fall of 2020, UConn School of Medicine and School of Dental Medicine welcomed their largest classes ever at 110 students and 49 students, respectively. These classes represent the fulfillment of the initial Bioscience 2000 initiative to grow class size in each school.

The School of Medicine has been named by U.S. & News Report as one of the top 10 medical schools in the nation for diversity of its student body. The School of Medicine's population of underrepresented individuals in medicine has steadily grown to nearly 23%. Of this, African American medical students represent approximately 12% of the student body.

Through a variety of residency programs, the School of Medicine provides postgraduate training for more than 600 newly graduated D.M.D. and M.D.s each year. These physicians come from all over the country to acquire advanced skills in fields such as the surgical specialties, internal medicine, and primary care. Some of the residency training occurs on UConn Health's main campus, but much of it takes place in community hospitals in Greater Hartford, thereby extending UConn Health's positive impact on the region.

Research Programs

High-quality research programs are one of the cornerstones of UConn Health's mission. The strength of UConn Health's research programs allows it to attract distinguished researchers with expertise in neuroscience, molecular biology and biochemistry, molecular pharmacology, cell physiology, toxicology, and immunology, among other fields. The Alcohol Research Center is one of only twenty-two such federally supported centers in the nation and is the longest-funded center at the National Institute on Alcohol Abuse and Alcoholism (NIAAA). In FY2021, UConn Health was awarded the largest grant in the University's history, a $40.0 million award from the National Science Foundation (NSF) to establish a new distributed Network for Advanced Nuclear Magnetic Resonance (NMR) in collaboration with the University of Georgia and the University of Wisconsin. This grant will enable UCH and its collaborators to make NMR technology and high performance computational resources available to researchers nationally and globally. In total, research awards (committed funds from sponsors) in fiscal 2021 reached a record high for UConn Health of $112.6 million.

Health Care Services

Through John Dempsey Hospital (234 licensed beds, 186 staffed acute care beds), UConn Health provides specialized and routine inpatient and outpatient services, including comprehensive cardiovascular, cancer, and musculoskeletal services, as well as, high risk maternity and neonatal intensive care. John Dempsey Hospital is home to the only Emergency Department in Connecticut's fast-growing Farmington Valley and contributes to the region's health in other ways. UConn Medical Group, one of the largest medical practices in Greater Hartford, offers primary care and services in more than 50 specialties.

While the hospital and faculty practice continue to have strong volume, the challenges of the health care marketplace (recruitment, increased competition, malpractice costs, and low reimbursement) are a continuing challenge. John Dempsey Hospital's financial health is also directly affected by its size, bed distribution, low reimbursement rate for services provided as part of its public mission, and cost factors resulting from its status as a state entity.

Connecticut Health
UConn Health faculty, staff, residents, and students participate in a variety of joint efforts to address public health and community health needs of citizens throughout our state. Under the umbrella of Connecticut Health, hundreds of projects have been developed in collaboration with other state agencies, city and town governments, community-based organizations and the public to serve the poor and uninsured by providing better medical care and health education. UConn Health is committed to finding new and effective ways to reach out to the public as part of our ongoing effort to bring a better quality of life to all our citizens.

COVID-19
In March 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a pandemic. The COVID-19 outbreak in the United States caused business disruption through mandated and voluntary closings of businesses across the country for non-essential services. UConn Health elected to pause elective procedures on March 13, 2020 and they did not resume until May 20, 2020. As a result, UConn Health experienced significant operating losses in fiscal 2020 which were only partially offset via Federal and other aid programs. Although UConn Health remained open for elective procedures throughout fiscal 2021, it continued to be affected by the pandemic. Many patients were at least initially reluctant to return for routine procedures. At the same time, staffing and supply shortages, increased cleaning and safety protocols, and changing community needs (including testing and vaccination) have increased costs and challenged operations.

UConn Health continues to monitor the outbreak of COVID-19 and its impact on operations, financial position, cash flows, inventory, supply chains, patient trends, payments, and the industry in general, in addition to the impact on its employees. Due to the continued rapid development and fluidity of this situation, it is difficult to assess the impact that the pandemic will continue to have on UConn Health's financial condition or results of operations is uncertain as of the date of this report. See note 16 for additional details.

Economic Condition
Connecticut's revenues are projected to exceed expenses at the State level, resulting in a fiscal year 2022 projected surplus. Connecticut's economy continues to recover from the COVID-19 pandemic. In June 2021, the State's biennial budget for fiscal years 2022 and 2023 were approved by the Special Session Budget Implementer (SB 1202) and signed into law by the Governor. The approved appropriations for UConn Health were $133.7 million for both fiscal years 2022 and 2023. In addition to the appropriation, the state allocated $6.9 million for temporary operating support in FY22 and $30.2 million in FY2023. It also distributes American Rescue Plan Spending (ARPA) funds for COVID-19 revenue losses in the amount of $73.0 million for FY22.

No assurance can be made that the State will not change the fiscal year funding prior to the end of such fiscal year. Any State funding cuts are expected to be managed by UConn Health through reduced hiring, reduced operating costs, fewer projects, and other deficit mitigation efforts.

UConn Health's fiscal 2022 budget is projected to be break even. This is reliant upon current state aid in active budget legislation. Changes at the State level may impact State support and UConn Health's overall results. UConn Health remains in constant contact with the State to monitor trends and needs.

UConn Health remains focused on protecting academic excellence, delivering strong student support, providing excellent patient care, and supporting the research mission.

Awards and Acknowledgements

In fiscal year 2021, patient and employee safety was the top priority given the COVID-19 pandemic. UConn Health devoted considerable time and resources to enhancing both the State's and the University's response to the continually evolving public health emergency.

UConn Health helped drastically increase our state's COVID-19 testing in partnership with The Jackson Laboratory for Genomic Medicine (JAX). In fact, JAX and UConn Health came together in collaboration to conduct over 1.5 million SARS-COV-2 tests and implement over 40,000 vaccinations, to protect the health and lives of the residents of Connecticut. In addition to UConn Health's robust COVID-19 vaccine programs on its Farmington and Storrs's campuses, in spring 2021 UConn Health partnered with the Department of Public Health, FEMA and the Governor's office to deploy a FEMA Mobile Vaccination Unit in towns throughout Eastern Connecticut in the ongoing effort to bring the vaccine to under-served communities reducing barriers to care.

In addition to its COVID-19 response, there were many other noteworthy accomplishments. A few highlights include:

UConn School of Medical and School of Dental Medicine celebrated their 50th anniversary of producing doctors of medicine and dental medicine. Over the last five decades the School of Medicine has graduated 3,874 physicians and the School of Dental Medicine 1,845 dentists. Many of these practitioners stay in Connecticut to practice. This year the UConn School of Dental Medicine was honored with its highest ranking in the School's history. It now ranks 8th among all 67 dental schools in the United States for overall research funding from the National Institutes of Health (NIH).

The Hospital continued to be recognized for its outstanding care and dedication to quality, earning its second consecutive "A" grade in the Leapfrog Groups annual safety ratings. The Hospital was ranked as a high performing hospital for stroke and kidney failure care by U.S. News & World Report Best Hospitals. Once again The American Heart Association (AHA) has recognized the Hospital for its excellence in heart attack and stroke care with gold-level honors. And, Newsweek named the Hospital a 2021 Best Maternity Care Hospital.

In the past year, we opened several new clinics focused on enhancing access to advanced care to the residents of Connecticut. UConn Health brought together its world-renowned experts from neurology, neurosurgery, spine surgery, non-operative spine care, and radiology to offer comprehensive, personalized care at The Brain and Spine Institute at UConn Health. In addition, we opened a new Psoriasis Center for coordinated care of psoriasis patients and the new Esophageal Diseases Center brings together specialists equipped to focus on problems with the gateway to our digestive system. Plus, UConn was first in Connecticut to offer severe emphysema patients an innovative, minimally invasive valve implant called the Zephyr Valve to help them breathe easier. It also was first in New England to use the 3D surgical navigation system by EnVisio for breast-conserving surgery.

The National Institute on Aging at NIH awarded UConn Health a prestigious $7.0 million grant to establish a Claude D. Pepper Older Americans Independence Center (OAIC) at UConn. UConn is joining a network of only 14 other such centers of excellence across the country that promote research designed to maintain or restore independence in older adults. This multidisciplinary effort is led by the UConn Center on Aging and will advance the new field of "precision gerontology".

These are challenging, exciting times at UConn Health and we continue to be optimistic about our ability to bring world class care to the residents of Connecticut.

Respectfully Submitted,

Lloyd Blanchard
Interim Vice President for Finance and
Chief Financial Officer
University of Connecticut

Jeffrey P. Geoghegan
Chief Financial Officer

UConn Health

DIRECTORS AND FINANCIAL OFFICERS
As of June 30, 2021

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Francis X. Archambault, Jr.	*Hartford*
Richard M. Barry	*Avon*
Richard T. Carbray, Jr.	*Rocky Hill*
Cheryl A. Chase	*Hartford*
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Joel Freedman	*South Glastonbury*

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Mike Walsh	*Hartford*
Dr. Deidre Gifford	*Hartford*

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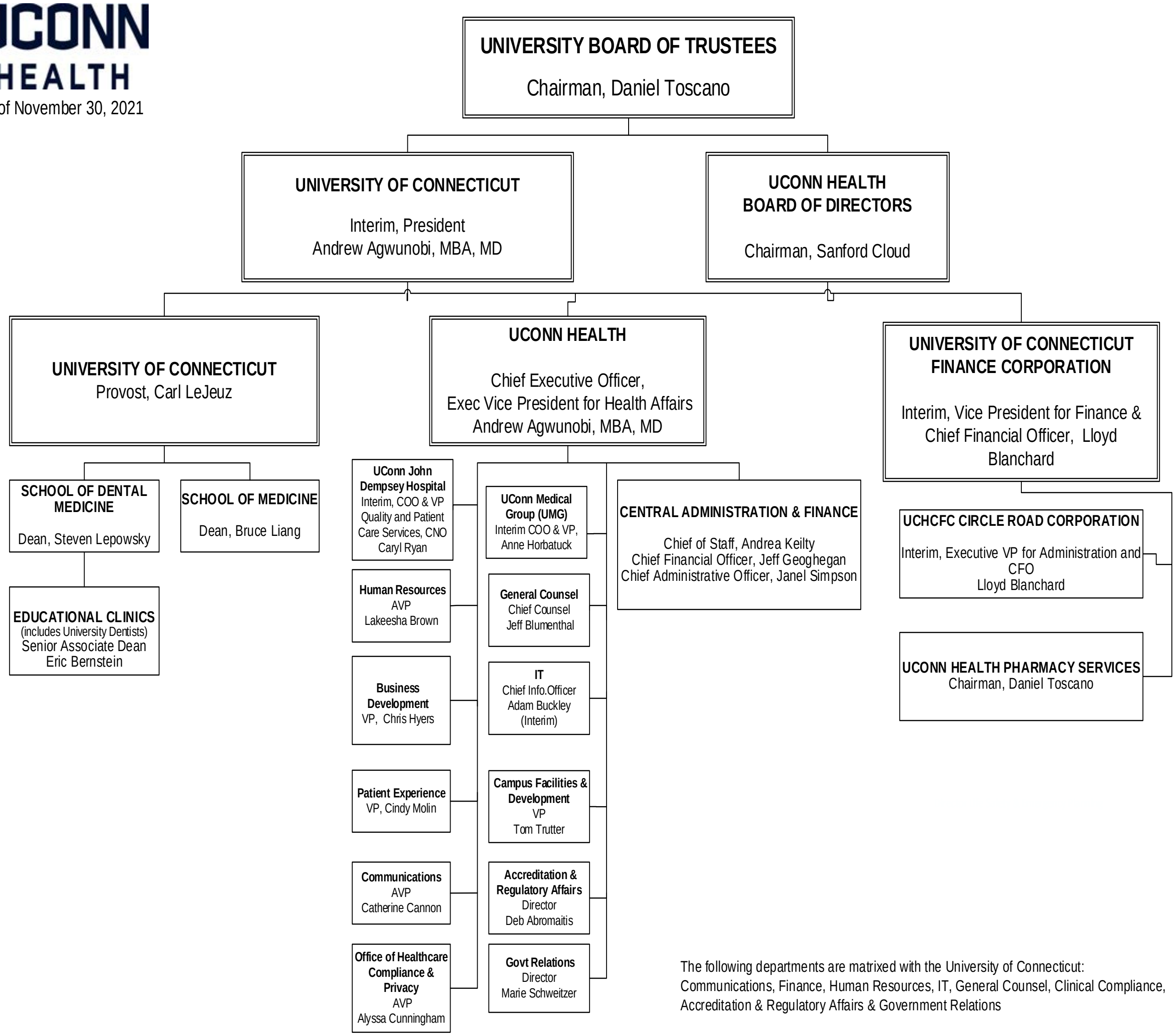
FINANCIAL OFFICERS

Lloyd Blanchard, UConn, Interim, Vice President for Finance and Chief Financial Officer
Jeffrey P. Geoghegan, UConn Health Chief Financial Officer
Chad A. Bianchi, UConn Health Controller

Trustees
As of June 30, 2021

UCONN HEALTH

As of November 30, 2021



The following departments are matrixed with the University of Connecticut: Communications, Finance, Human Resources, IT, General Counsel, Clinical Compliance, Accreditation & Regulatory Affairs & Government Relations

FINANCIAL SECTION

STATE OF CONNECTICUT

AUDITORS OF PUBLIC ACCOUNTS

JOHN C. GERAGOSIAN

STATE CAPITOL
210 CAPITOL AVENUE
HARTFORD, CONNECTICUT 06106-1559

CLARK J. CHAPIN

INDEPENDENT AUDITORS' REPORT

Board of Directors of the
University of Connecticut Health Center

Report on Financial Statements

We have audited the accompanying financial statements of the business-type activities of the University of Connecticut Health Center (UConn Health), a component unit of the University of Connecticut system, which includes the University of Connecticut, UConn Health and the University of Connecticut Foundation, Inc. The accompanying financial statements, which consist of the statement of net position as of June 30, 2021 and the related statements of revenues, expenses and changes in net position and cash flows and for the year then ended, and the related notes to the financial statements, which collectively comprise UConn Health's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We did not audit:

- The financial statements of John Dempsey Hospital, which represents 39.2% of the assets and 44.8% of the revenues of UConn Health;
- The financial statements of UConn Medical Group, which represents 2.7% of the assets and 11.1% of the revenues of UConn Health; and
- The financial statements of the Finance Corporation, which represents 18.4% of the assets and 4.2% of the revenues of UConn Health.

Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to those amounts is based solely on the reports of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The financial statements of John Dempsey

Hospital, UConn Medical Group, and the Finance Corporation were audited in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, based upon our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities of UConn Health, as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Schedule of UConn Health's Proportionate Share of Collective Net Pension Liability and related ratios, the Schedule of UConn Health's Pension Contributions, the Schedule of UConn Health's Proportionate Share of the Net OPEB Liability and related ratios, and the Schedule of UConn Health's OPEB Contributions, be presented to supplement the basic financial statements. Such information, although not 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.

Supplementary and Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise UConn Health's basic financial statements. The consolidating financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The consolidating financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the reports of the other auditors, the consolidating financial statements are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Clark J. Chapin

John C. Geragosian
State Auditor

Clark J. Chapin
State Auditor

December 15, 2021
State Capitol
Hartford, Connecticut

Management's Discussion and Analysis

INTRODUCTION

The following discussion and analysis provide an overview of the financial position and activities of the University of Connecticut Health Center ("UConn Health") for the year ended June 30, 2021. This discussion has been prepared by management and should be read in conjunction with the financial statements and the notes thereto, which follow this section.

Founded in 1881, the University of Connecticut (the "University") serves as the state's flagship for higher education, meeting the educational needs of undergraduate, graduate, professional, and continuing education students through the integration of teaching, research and service. The University of Connecticut is a comprehensive institution of higher education, which includes UConn Health.

The financial statements presented here represent the transactions and balances of UConn Health only. UConn Health offers medical and dentistry degrees as well as operating a physician/dentist practice and a teaching and research hospital. UConn Health's component parts are the School of Medicine, the School of Dental Medicine (and its associated Educational Clinics), UConn Medical Group (UMG), the Finance Corporation (and its subsidiaries University of Connecticut Health Finance Corporation Circle Road Corporation (Circle Road Corporation) and UConn Health Pharmacy Services, Inc. (UHPSI) , and John Dempsey Hospital ("the Hospital"). UConn Health's enrollment in fiscal year 2021 was 449 students in the School of Medicine, 197 in the School of Dental Medicine, and 287 Graduate students, taught by over 500 faculty members. UConn Health finished fiscal year 2021 with 4,555 FTE's. Clinical volumes have rebounded in many areas, some of which have exceeded pre-pandemic numbers. John Dempsey Hospital (JDH) has 186 staffed acute care beds. In fiscal year 2021, adjusted patient days (a measure of total hospital volume) were 122,228, a 10.3% increase from the prior year. During 2021, UMG had 764,495 unique patient visits, a 22.3% increase.

The following Management's Discussion and Analysis (MD&A) is required supplemental information. Its purpose is to provide users of the basic financial statements with a narrative introduction, overview and analysis of those statements. It is designed to assist readers in understanding the accompanying financial statements required by GASB. This discussion, which is unaudited, includes an analysis of the financial condition and results of activities of UConn Health for the fiscal year ended June 30, 2021, based on currently known facts, decisions, and conditions. As the MD&A presentation includes highly summarized information, it should be read in conjunction with the accompanying financial statements and related notes to the financial statements. The financial statements, notes to the financial statements, and this MD&A are the responsibility of management.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of Management's Discussion and Analysis and the financial statements. The basic financial statements (statement of net position, statement of revenues, expenses and changes in net position and statement of cash flows) present the financial position of UConn Health at June 30, 2021, and the results of operations and financial activities for the year then ended. These statements report information about UConn Health using accounting methods similar to those used by private-sector companies. The statement of net position includes all of UConn Health's assets and liabilities. The statement of revenues, expenses and changes in net position reflects the year's activities on the accrual basis of accounting, i.e., when services are provided or obligations are incurred, not when cash is received or paid. This statement reports UConn Health's net assets and how they have changed. Net position (the difference between assets and liabilities) is one way to measure financial health or position. The statement of cash flows provides relevant information about each year's cash receipts and cash payments and classifies them as to operating, investing, noncapital financing and capital and related financing activities. The financial statements include notes that explain information in the financial statements and provide more detailed data.

FINANCIAL HIGHLIGHTS

UConn Health's financial position at June 30, 2021, consisted of assets of $1.2 billion and liabilities of $3.4 billion. Net assets, which represent the residual interest in UConn Health's assets after liabilities are deducted, decreased $239.9 million in fiscal year 2021 after non-operating and other changes in net positon. The changes were primarily driven by the recording of UConn Health's proportionate share of State pension and OPEB liabilities and were not representative of normal operations. The change in net assets exclusive of these entries was $32.2 million.

The financial statements contained herein show an operating loss of $583.4 million for the year ending June 30, 2021 (fiscal year 2021). The measure more indicative of normal and recurring activities is Net Income (Loss) Before Other Changes in Net Position, which includes revenue from State Appropriations. Additions to capital assets are, in a large part, funded by capital appropriations from the state and issuance of UCONN 2000 bond funds (included in the Other Changes in Net Position above), which are not included as revenues in this measurement. However, depreciation expense on those assets is included as an expense in calculating operating income (loss), so a loss under this measurement is expected. UConn Health experienced a loss before Other Changes in Net Position of $242.6 million in fiscal year 2021.

Some sources of recurring operating and non-operating revenues increased in 2021, including federal grants and contracts. Net patient revenues increased from the prior year. Increases were attributed to resuming elective procedures. The focus remains on cautiously returning to full patient care, while assuring patients that it is safe to do so. State support, including state funded capital appropriations, increased 11.6% in fiscal year 2021. The increase is primarily attributed to the deficiency appropriation to pay COVID-19 related losses and a portion of the State's unfunded accrued liabilities assigned to UConn Health. In fiscal year 2022, UConn Health has been approved for $73.0 million in American Rescue Plan Spending (ARPA) funding to cover prior year clinical revenue losses. UConn Health received an appropriation of $140.6 million for fiscal year 2022.

STATEMENTS OF NET POSITION

The summary statements of net position below present the financial position of UConn Health at the end of the fiscal years 2021 and 2020. The statement includes all assets, deferred outflows of resources, liabilities, deferred inflows of resources and net position of UConn Health. Net position represents assets plus deferred outflows, less liabilities and deferred inflows. Assets represent what is owned by or what is owed to UConn Health. Assets and liabilities are generally measured using current values. One notable exception is capital assets, which are stated at historical cost less an allowance for depreciation. A deferred outflow of resources represents the consumption of net assets by UConn Health that is applicable to a future reporting period, while a deferred inflow of resources is an acquisition of net assets by UConn Health that is applicable to a future reporting period. UConn Health's net position is the residual value in UConn Health's assets and deferred outflows, after liabilities and deferred inflows are deducted. The change in net position is an indicator of whether the overall financial condition has improved or deteriorated during the year.

The total assets of UConn Health increased by $29.9 million, or 2.5%, over the prior year. The increase was primarily attributable to the advance funding from Medicare Advance Program increasing cash and cash equivalents.

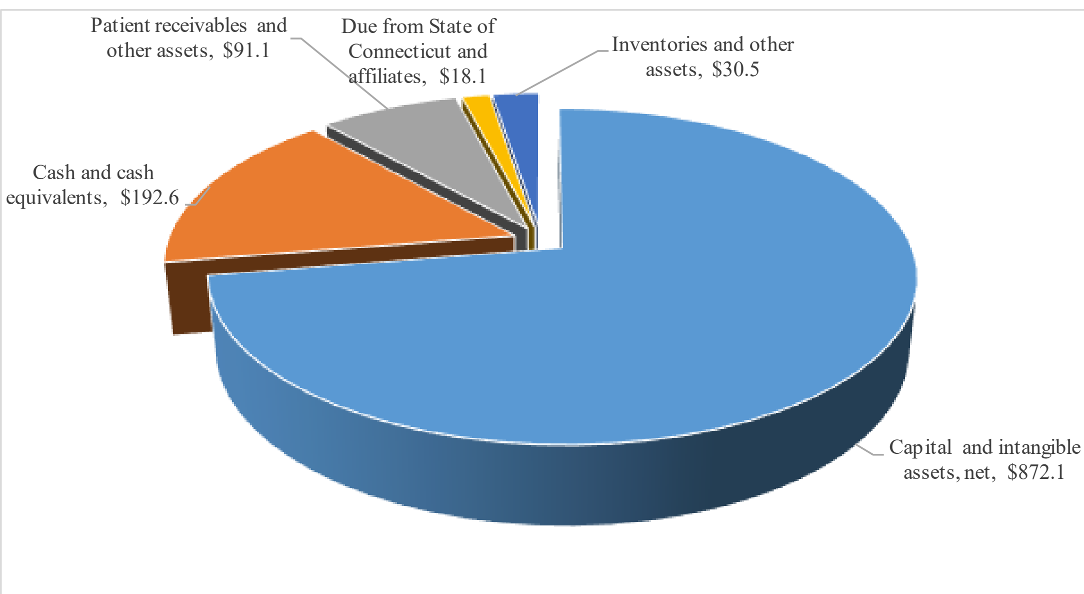
Total liabilities increased by $512.6 million or 17.6% from 2020. The driver of the increase was the $450.4 million increases related to pension and OPEB liabilities. Increases in pension and OPEB expenses reflect both UConn Health's increasing percentage of overall plan contribution and changes at the state plan level to underlying assumptions such as discount rates.

Deferred outflows of resources increased $128.4 million and deferred inflows of resources decreased $114.4 million based on changes to the respective plans as evaluated in the most recent actuary reports.

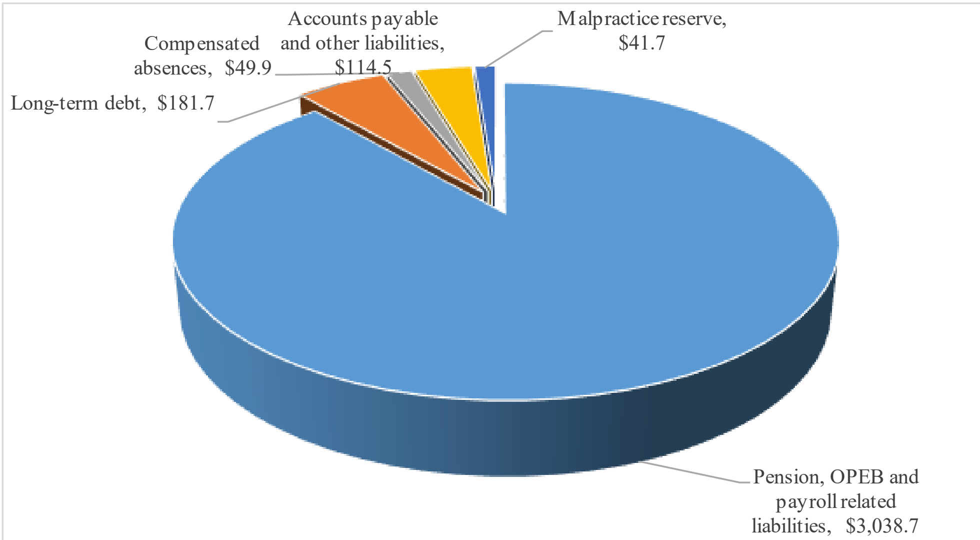
The following table shows a Condensed Schedule of Net Position at June 30:

	2021	2020	$ Change	% Change
		($ in millions)		
Assets:				
Current assets	$ 319.7	$ 250.6	$ 69.1	27.6%
Capital and intangible assets, net	872.1	921.7	(49.6)	-5.4%
Other noncurrent assets	12.6	2.2	10.4	472.7%
Total assets	1,204.4	1,174.5	29.9	2.5%
Deferred outflows of resources	1,010.0	881.6	128.4	14.6%
Liabilities:				
Current liabilities	202.4	170.6	31.8	18.6%
Noncurrent liabilities	3,224.1	2,743.3	480.8	17.5%
Total liabilities	3,426.5	2,913.9	512.6	17.6%
Deferred inflows of resources	327.1	441.5	(114.4)	-25.9%
Net position:				
Net investment in capital assets	690.4	731.7	(41.3)	-5.6%
Restricted nonexpendable	0.1	0.1	-	0.0%
Restricted expendable	4.8	6.4	(1.6)	-25.0%
Unrestricted	(2,234.5)	(2,037.5)	(197.0)	9.7%
Total net position	$ (1,539.2)	$ (1,299.3)	$ (239.9)	18.5%

The following graph shows total assets of $1.2 billion by major category as of June 30, 2021 ($ in millions):



The following graph shows total liabilities of $3.4 billion by major category as of June 30, 2021 ($ in millions):



Net Position

Net position is divided into three major categories. The first category, net investment in capital assets, represents UConn Health's equity in property and equipment. 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 on UConn Health'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 and/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 UConn Health for any lawful purpose of the institution. Generally, unrestricted funds are internally assigned to academic, clinical and research programs, capital programs, and auxiliary enterprise activities. The Statement of Net Position presents assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position of UConn Health 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 UConn Health. This statement presents a snapshot concerning assets, classified as current (expected to be available for use within one year) and noncurrent (expected to be available after one year), liabilities, categorized as current (expected to mature and due within one year), and noncurrent (expected to mature and became due after one year), and net position.

Assets represent what is owned by or what is owed to UConn Health, including payments made to others before a service was received. Assets are recorded at their current value except for property and equipment, which is recorded at historical cost net of accumulated depreciation and amortization and inventory which is valued using a mix of valuation measures. Liabilities represent what is owed to others or what has been received from others prior to services being provided by UConn Health. A deferred outflow of resources represents the consumption of net assets by UConn Health that is applicable to a future reporting period, whereas, a deferred inflow of resources is an acquisition of net assets by UConn Health that is applicable to a future reporting period.

UConn Health's net position is the residual value in UConn Health's assets and deferred outflows after liabilities and deferred inflows are deducted. Changes in net position over time are a relative indicator of UConn Health's financial health.

The following table demonstrates the effects of GASB 68 and GASB 75 on UConn Health's net position for the fiscal years ended June 30:

	2021	2020	$ Change	% Change
		($ in millions)		
Net Position				
Net investment in capital assets	$ 690.4	$ 731.7	$ (41.3)	-5.6%
Restricted nonexpendable	0.1	0.1	-	0.0%
Restricted expendable	4.8	6.4	(1.6)	-25.0%
Unrestricted	(2,234.5)	(2,037.5)	(197.0)	9.7%
Total net positon	(1,539.2)	(1,299.3)	(239.9)	18.5%
Pension (GASB 68) impact	929.4	864.9	64.5	7.5%
OPEB (GASB 75) impact	1,368.6	1,225.4	143.2	11.7%
Net position, exluding pension and OPEB	$ 758.8	$ 791.0	$ (32.2)	-4.1%

STATEMENTS 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 revenues received, the expenses paid, and any other gains and losses recognized by UConn Health. Revenues and expenses are classified as operating, non-operating, 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 UConn Health. Operating expenses are incurred in the normal operation of UConn Health and represent those expenses paid to acquire or produce the goods and services provided in return for operating revenues. Operating expenses also include the provision for allocated depreciation and amortization of property and equipment. The difference between operating revenues and expenses is the operating income or loss.

By its very nature, a state funded institution does not receive tuition and fees revenue, research awards or clinical program revenue sufficient to support its operations. Non-operating revenues are revenues received for which goods and services are not exchanged. These revenues are essential to the continued provision of programs and services by UConn Health. Significant recurring sources of non-operating revenues utilized in balancing the operating loss each year include appropriations from the State of Connecticut (State) for general operations, gifts, donations, and investment income.

Other changes in net position are composed of capital appropriations and losses on disposal.

The statements of revenues, expenses and changes in net position present UConn Health's results of operating and non-operating activities. A summary of UConn Health's revenues, expenses and changes in net assets for the years ended June 30, 2021 and 2020 is presented below:

	2021	2020	$ Change	% Change
		($ in millions)		
Operating revenues:				
Student tuition and fees (net of scholarship allowances)	$ 23.5	$ 21.6	$ 1.9	8.8%
Patient services	628.9	513.6	115.3	22.4%
Federal grants and contracts	68.2	58.1	10.1	17.4%
Nonfederal grants and contracts	25.0	27.9	(2.9)	-10.4%
Contract and other operating revenues	155.4	162.7	(7.3)	-4.5%
Total operating revenues	901.0	783.9	117.1	14.9%
Operating expenses:				
Instruction	178.9	170.5	8.4	4.9%
Research	57.6	55.2	2.4	4.3%
Patient services	966.5	846.5	120.0	14.2%
Academic support	25.0	20.1	4.9	24.4%
Institutional support	159.1	89.6	69.5	77.6%
Operations and maintenance of plant	26.9	25.1	1.8	7.2%
Depreciation and amortization	70.4	72.9	(2.5)	-3.4%
Student aid	0.0	0.0	0.0	0.0%
Total operating expenses	1,484.4	1,279.9	204.5	16.0%
Operating Loss	(583.4)	(496.0)	(87.4)	17.6%
Nonoperating revenues (expenses):				
State appropriations	330.9	296.5	34.4	11.6%
Gifts	3.5	7.0	(3.5)	-50.0%
COVID-19 relief revenue	15.6	22.5	(6.9)	-30.7%
Loss on disposal	(0.2)	(0.3)	0.1	-33.3%
Investment income (net of investment expense)	0.0	0.6	(0.6)	100.0%
Interest on capital asset - related debt	(9.0)	(9.4)	0.4	-4.3%
Net nonoperating revenues	340.8	316.9	23.9	7.5%
Loss before other changes in net position	(242.6)	(179.1)	(63.5)	35.3%
Other changes in net position:				
Transfer from affiliate	2.0	-	2.0	100.0%
Capital appropriations	0.7	-	0.7	100.0%
Net other changes in net position	2.7	-	2.7	100.0%
Decrease in net position	(239.9)	(179.1)	(60.8)	33.8%
Net position-beginning of year	(1,299.3)	(1,120.2)	(179.1)	16.0%
Net position-end of year	$ (1,539.2)	$ (1,299.3)	$ (239.9)	18.5%

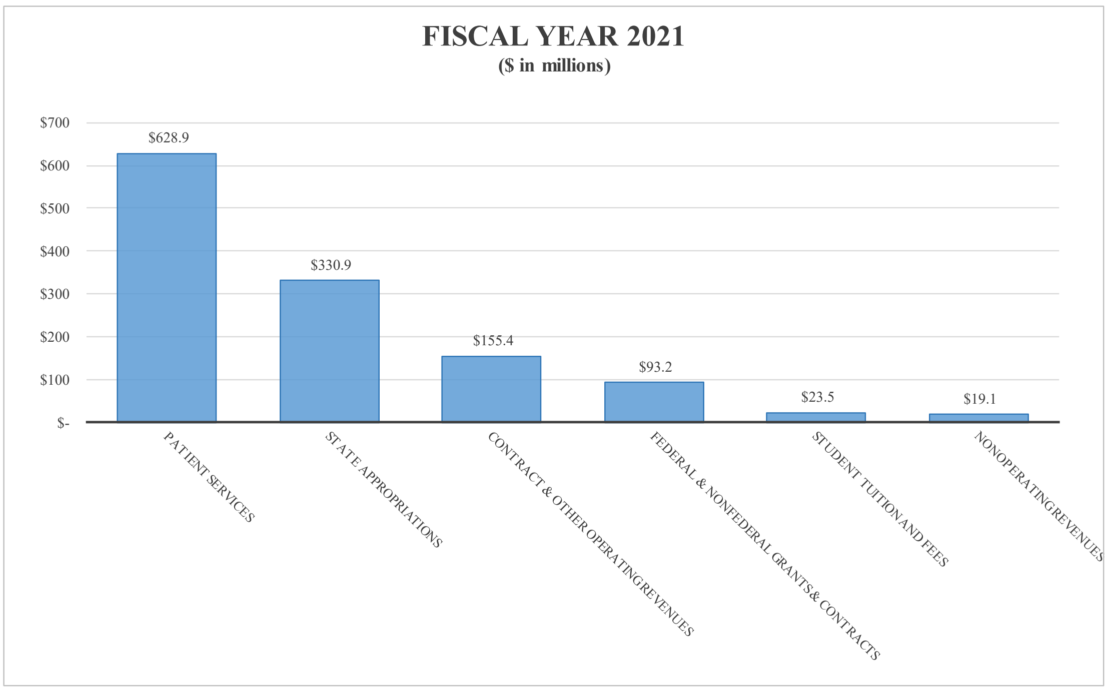
Revenue

Revenue highlights for the year ending June 30, 2021, including operating and non-operating revenues, presented on the Statements of Revenues, Expenses, and Changes in Net Position are as follows:

The largest source of revenue was patient service revenue. UConn Health's overall net patient service revenue increased $115.3 million or 22.4% from the prior year. Clinical volumes have rebounded in many areas, some of which have exceeded pre-pandemic numbers. In fiscal year 2021, UHPSI began providing pharmaceuticals to primarily patients from various clinics related to UConn Health. That service has accounted for approximately $37.4 million of increased net patient service revenue.

The State Appropriation (including In Kind Fringe Benefits), which is included in non-operating revenues, totaled $330.9 million. This represents an 11.6% increase from the prior year. The increase was attributed to the one-time funding from the Comptroller to pay a portion of the State's unfunded accrued liabilities assigned to UConn Health and increased In-Kind fringe benefits recognized as the result of higher overall fringe benefit costs.

The following graph shows UConn Health's total operating and nonoperating revenues by category, excluding other changes in net position ($ in millions):



Expenses

Highlights of expenses including operating and non-operating expenses presented on the Statements of Revenues, Expenses and Changes in Net Position are as follows:

Patient service expense is the largest expense category for UConn Health; it accounts for 65.1% of total operating expenses. It increased by $120.0 million or 14.2% from the prior year. The increase is attributed to recognition of increased pension and OPEB expense under GASB No. 68 and 75. Increases were driven by increasing percentage allocations under the plans as well as underlying assumption changes such as a lower discount rate in the current actuarial analysis.

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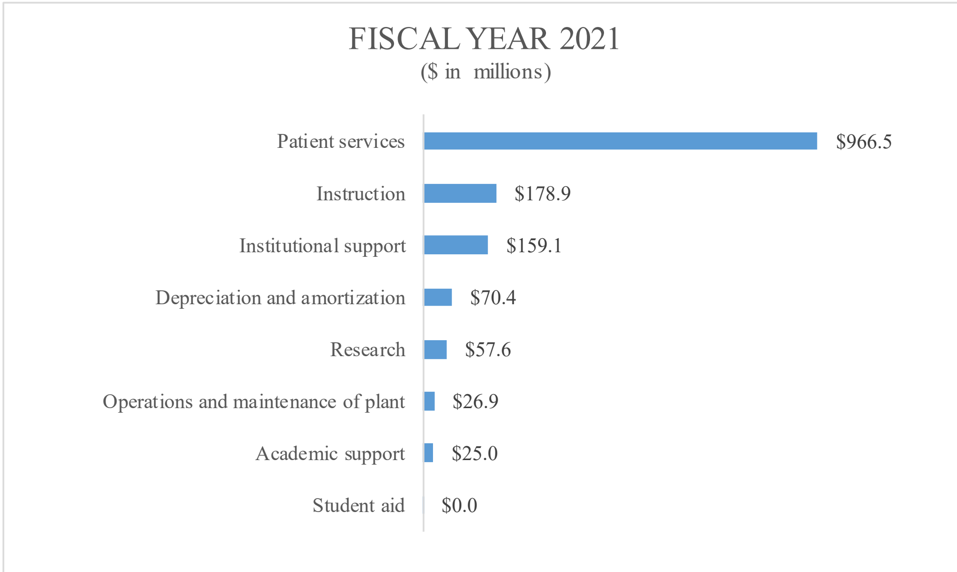
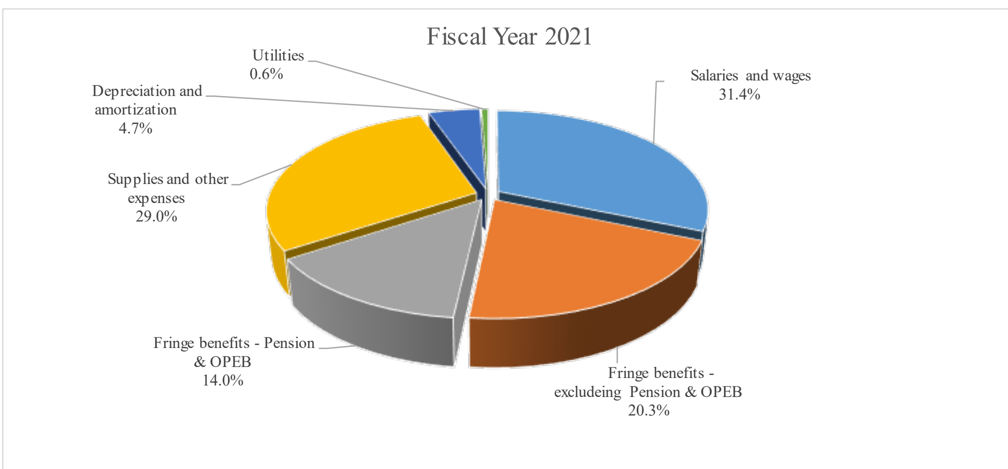
The following graph shows the functional expenses of UConn Health:



UConn Health's operating expenses by natural classification are presented below:



STATEMENTS OF CASH FLOWS

The Statement of Cash Flows presents detailed information about the cash activity of UConn Health during the year. The first section of this Statement, Cash Flows from operating activities, will always be different from the operating loss amount on the Statement of Revenues, Expenses, and Changes in Net Position. The difference results from non-cash 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 consists of cash flows from investing activities showing the purchases, proceeds, and interest provided from investing activities. The third section reflects cash flows from non-capital financing activities including State Appropriation, debt transactions, gifts, and other non-operating revenues and expenses. The fourth section shows cash flows from capital and related financing 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.

The Statements of Cash Flows provides additional information about UConn Health's financial results by reporting the major sources and uses of cash. A summary of the Statements of Cash Flows for the years ended June 30, 2021 and 2020, is as follows:

	2021	2020	$ Change	% Change
		($ in millions)		
Cash received from operations	$ 931.2	$ 796.1	$ 135.1	17.0%
Cash expended for operations	(1,055.6)	(940.3)	(115.3)	12.3%
Net cash used in operating activities	(124.4)	(144.2)	19.8	-13.7%
Net cash provided by investing activities	0.1	0.6	(0.5)	-83.3%
Net cash provided by noncapital financing activities	220.7	203.7	17.0	8.3%
Net cash used in capital and related financing activities	(32.9)	(26.6)	(6.3)	23.7%
Net increase/(decrease) in cash and cash equivalents	63.5	33.5	30.0	89.6%
Cash and cash equivalents, beginning of the year	129.1	95.6	33.5	35.0%
Cash and cash equivalents, end of the year	$ 192.6	$ 129.1	$ 63.5	49.2%

CAPITAL AND INTANGIBLE ASSETS

Capital and intangible assets, net of accumulated depreciation, consisted of the following:

	2021	2020	$ Change	% Change
		($ in millions)		
Land	$ 13.5	$ 13.5	$ -	0.0%
Construction in Progess	6.78	10.69	(3.9)	-36.4%
Fine art	1.24	1.27	(0.1)	-7.7%
Buildings and Building Improvements	1,260.98	1,247.38	13.6	1.1%
Equipment	262.00	268.82	(6.8)	-2.5%
Computer Software	77.56	77.43	0.2	0.3%
Capital Leases	18.30	18.31	(0.0)	0.0%
Less Accumulated Depreciation	(768.33)	(715.65)	(52.6)	7.3%
Capital assets, net	$ 872.1	$ 921.7	$ (49.6)	-5.4%

Construction in progress decreased approximately $3.9 million driven by continued progress on UCONN 2000 construction initiatives and the capitalization of the Clinic Building Renovations.

As mentioned above, the UCONN 2000 program has had a dramatic impact on our campus. This is the third phase of the program also known as 21st Century UCONN, which provides for improvements to facilities at the University and UConn Health. UConn Health has received $825.9 million over the life of this program. UConn Health received approximately $680,000 in capital appropriations during 2021 from the UCONN 2000.

UConn Health's fiscal year 2022 capital funding requests will be considered for funding by the senior executive committee of UConn Health on an individual basis.

DEBT ACTIVITIES

UConn Health did not enter into new capital lease agreements in 2021. Scheduled lease payments continued on existing leases in 2021. More detailed information about UConn Health's capital assets and debt activities are presented in notes 9 and 10 of the financial statements.

BIOSCIENCE CONNECTICUT

All construction work related to the Bioscience Connecticut and the Clinical Building Renovations has been substantially completed as of June 30, 2021.

FISCAL YEAR 2022 OUTLOOK

As we look forward to fiscal year 2022, UConn Health continues to adapt its business models to changing landscapes: operational, pandemic, and regulatory. UConn Health continues to work and plan for new operational realities, including labor and supply shortages, through continual re-prioritization, forward thinking, teamwork, and creativity. The COVID-19 pandemic continues to evolve creating new community needs and challenges. UConn Health will continue to respond to these new needs, such as for vaccine boosters and community resources, and to serve the people of Connecticut. Healthcare, already a high oversight industry, has received additional regulatory mandates as a result of the pandemic and pandemic related relief funds received. Tracking and reporting these funds will continue to be a focus for UConn Health moving forward to monitor the increasing levels of regulations from authoritative agencies, including those assisting with pandemic relief.

Research, education, and patient care remain the cornerstones of UConn Health's mission. These pillars remain as fundamental and relevant as ever. UConn Health is focused on maximizing our efforts in these areas, while navigating uncertainty surrounding both State and Federal funding. Federal and State aid remain vital in shepherding public institutions through the challenges of COVID-19, but also in allowing institutions such as UConn Health to protect and serve socially or economically disadvantaged groups. UConn Health has benefitted from federal CARES Act support and has secured commitments from the State for CRF during the current year. Some level of additional benefits is expected to be realized in the upcoming year though exact future funding levels remain uncertain.

A combination of institution-wide financial initiatives and additional state funding allowed UConn Health to balance its 2021 spending plan. UConn Health approaches fiscal year 2022 cautiously optimistic. While vaccines have helped stem some of the impact of COVID-19, the surging Delta variant, new Omicron variant and pandemic fatigue have contributed to an uncertain outlook. While clinical volumes have rebounded in many areas, some of which have exceeded pre-pandemic volumes, a continued spike in cases could impact UConn Heath's ability to perform elective surgeries, which are essential for the continued fiscal health of the institution. At the same time, the Hospital's Medicare Advance program funding will begin repayment in fiscal year 2022. Repayment of these amounts will reduce operating liquidity over future months.

Clinically, the focus remains on cautiously returning to patient care, while assuring patients that it is safe to do so. Significant concerns nationally about patients putting off care due to COVID-19 have lent greater urgency to handling the current Delta spike effectively and safely. UConn Health has worked continually over the past 12 months to strengthen its supply lines and broaden its access to the required types and amounts of PPE. We continue to update our treatment protocols and have proactively taken steps to ensure patient and staff safety across all our clinical units.

Among the initiatives that UConn Health has implemented are joining with the Connecticut Hospital Association in implementing mandatory vaccination at our facilities, universal masking, and screening of all staff and visitors in all facilities regardless of vaccination status.

UConn Health continues to work at leveraging its electronic medical record system (EPIC system). In the current year, our EPIC system allowed us to track and facilitate vaccine roll outs for staff and the public, and helped transmit COVID-19 testing results from Jackson Labs to other EPIC facilities in Connecticut. We also continued progress towards upgrading and optimizing the system. UConn Health is now on a quarterly upgrade schedule and is up-to-date with current EPIC functionality.

On June 30, 2021, all existing bargaining unit contracts concluded without new agreements being ratified and approved by the legislature. Affected unions are currently working under an extension agreement that runs through June 30, 2022, and keeps substantially all of the prior contract provisions, but which does not allow for general wage increases during the hold-over period.

The State, lifted by strong tax receipts and federal aid, reported a surplus for fiscal year 2021, and is anticipating a robust fiscal year 2022. The State's financial outlook has a direct role in that of UConn Health. Any potential negative changes to the State's economic outlook result in additional unpredictability of State support across UConn Health. While we are grateful for State support, UConn Health leadership remains diligent in seeking out continued, appropriate external funding, cost reductions, and programmatic enhancements while protecting quality of care.

Management will continue to monitor these and other factors over the upcoming year as it seeks to strengthen UConn Health for the future.

CONTACTING UCONN HEALTH'S FINANCIAL MANAGEMENT

This financial report provides the reader with a general overview of UConn Health's finances and operations. If you have questions about this report or need additional financial information, please contact the Office of the Chief Financial Officer, UConn Health, Farmington, Connecticut 06030.

FINANCIAL STATEMENTS

UCONN HEALTH
STATEMENT OF NET POSITION
As of June 30, 2021

		2021
		($ in thousands)
ASSETS		
Current Assets		
Cash and cash equivalents (Note 2)	$	192,142
Patient receivables, net		61,257
Contract and other receivables		22,711
Due from Affiliates (Note 12)		2,979
Due from State of Connecticut		14,586
Due from Department of Correction		21
Inventories		18,886
Prepaid expenses		7,138
Total current assets		319,720
Noncurrent Assets		
Restricted cash and cash equivalents (Note 2)		494
Deposits with vendors		11,166
Other assets		483
Due from State of Connecticut		465
Capital and intangible assets, net (Note 9)		872,061
Total noncurrent assets		884,669
Total assets	$	1,204,389
Deferred outflows of resources pension (Note 11)	$	426,482
Deferred outflows of resources OPEB (Note 11)	$	583,544

The accompanying notes are an integral part of these financial statements.

UCONN HEALTH
STATEMENT OF NET POSITION (continued)
As of June 30, 2021

		2021
		($ in thousands)
LIABILITIES		
Current Liabilities		
Accounts payable and accrued liabilities	$	53,124
Due to State of Connecticut		23,210
Accrued salaries		34,643
Compensated absences - current portion (Note 10)		20,390
Due to third party payors		56,392
Due to Affiliates (Note 14)		3,364
Unearned revenue		731
Malpractice reserve (Note 10)		2,218
Long-term debt - current portion (Note 10)		8,390
Total current liabilities		202,462
Noncurrent Liabilities		
Malpractice reserve (Note 10)		39,452
Compensated absences - net of current portion (Note 10)		29,501
Due to Affiliates - net of current portion (Note 14)		1,000
Pension liability (Note 11)		1,194,580
OPEB liability (Note 11)		1,786,265
Long-term debt - net of current portion (Note 10)		173,269
Total noncurrent liabilities		3,224,067
Total liabilities	$	3,426,529
Deferred Inflows of Resources Pension (Note 11)	$	161,297
Deferred Inflows of Resources OPEB (Note 11)	$	165,835
NET POSITION		
Net investment in capital assets	$	690,402
Restricted for		
Nonexpendable		
Scholarships		61
Expendable		
Research		1,107
Loans		244
Capital projects		3,444
Unrestricted		(2,234,504)
Total net position	$	(1,539,246)

The accompanying notes are an integral part of these financial statements.

UCONN HEALTH
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
For the Year Ended June 30, 2021

	2021
	($ in thousands)
OPERATING REVENUES	
Student tuition and fees (net of scholarship allowances of $6,874)	$ 23,475
Patient services (net of charity care of $3,658) (Note 4 & 5)	628,899
Federal grants and contracts	68,185
Nonfederal grants and contracts	24,977
Contract and other operating revenues	155,419
Total operating revenues	900,955
OPERATING EXPENSES	
Educational and General	
Instruction	178,910
Research	57,554
Patient services	966,535
Academic support	24,986
Institutional support	159,055
Operations and maintenance of plant	26,886
Depreciation and amortization (Note 9)	70,375
Student aid	39
Total operating expenses	1,484,340
Operating loss	(583,385)
NONOPERATING REVENUES (EXPENSES)	
State appropriations (Note 14)	330,872
Gifts	3,496
COVID-19 relief revenue (Note 16)	15,598
Loss on disposal	(196)
Investment income	31
Interest on capital asset - related debt	(9,028)
Net nonoperating revenues	340,773
Loss before other changes in net position	(242,612)
OTHER CHANGES IN NET POSITION	
Transfer from Affiliate (Note 14)	2,000
Capital appropriations (Note 12)	680
Net other changes in net position	2,680
Decrease in net position	(239,932)
NET POSITION	
Net position-beginning of year	(1,299,314)
Net position-end of year	$ (1,539,246)

The accompanying notes are an integral part of these financial statements.

UCONN HEALTH
STATEMENT OF CASH FLOWS
For the Year Ended June 30, 2021

		2021
		($ in thousands)
Cash flows from operating activities:		
Cash received from patients and third-party payors	$	655,755
Cash received from tuition and fees		23,475
Cash received from grants, contracts and other revenue		252,016
Cash paid to employees for personal services and fringe benefits		(622,186)
Cash paid for other than personal services		(433,366)
Net cash used in operating activities		(124,306)
Cash flows from investing activities:		
Interest received		31
Net cash provided by investing activities		31
Cash flows from noncapital financing activities:		
State appropriations		199,273
Due from State of Connecticut		2,057
COVID-19 relief revenue (Note 16)		15,598
Gifts		3,737
Net cash provided by noncapital financing activities		220,665
Cash flows from capital and related financing activities:		
Additions to property and equipment		(20,191)
Capital appropriations		862
Interest paid		(9,045)
Loan issued from Affiliate		1,800
Transfer from Affiliate		2,000
Net repayment from long-term debt		(8,294)
Net cash used in capital and related financing activities		(32,868)
Net increase in cash and cash equivalents		63,522
Cash and cash equivalents at beginning of year		129,114
Cash and cash equivalents at end of year	$	192,636

The accompanying notes are an integral part of these financial statements.

UCONN HEALTH
STATEMENT OF CASH FLOWS (Continued)
For the Year Ended June 30, 2021

Reconciliation of operating loss to net cash used in operating activities:

		2021
		($ in thousands)
Operating loss	$	(583,385)
Adjustments to reconcile operating loss to net cash		
Used in operating activities:		
Depreciation and amortization		70,375
Personal services and fringe benefits In Kind from State		131,599
Changes in assets and liabilities:		
Patients receivables, net		(12,017)
Contract and other receivables		3,260
Due from DOC		767
Inventories		(4,511)
Third party payors		38,106
Prepaid expenses		(3,739)
Deposits with vendors		(3,245)
Other assets		234
Deferred outflow of resources		(128,403)
Accounts payable and accrued liabilities		(3,057)
Due to State of Connecticut		3,561
Due to Affiliates		(9,483)
Accrued salaries		2,148
Net pension and net OPEB liabilities		450,443
Compensated absences		5,224
Unearned revenue		(126)
Deferred inflow of resources		(114,372)
Malpractice reserve		32,315
Net cash used in operating activities	$	(124,306)

Schedule of Non-Cash Financing Transactions

Mortgage proceeds held by Trustee in construction escrow account	$	27
Loss on disposal of capital and intangible assets	$	(196)
In kind Coronavirus Relief donation	$	59
Change in endowment	$	300

The accompanying notes are an integral part of these financial statements.

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The University of Connecticut Health Center ("UConn Health") is a part of a comprehensive institution of higher education, the University of Connecticut (the "University"). Although governed by a single Board of Trustees, UConn Health and the University maintain separate budgets and are by statute separate entities for purposes of maintaining operating funds and State Appropriations. UConn Health also has a Board of Directors to whom the Board of Trustees has delegated certain responsibility and authority. These financial statements represent transactions and balances of UConn Health for the year ended June 30, 2021, which includes the School of Medicine, School of Dental Medicine, UConn Medical Group (UMG), Finance Corporation and Subsidiaries, Educational Clinics (the "Primary Institution") and John Dempsey Hospital (the "Hospital"). UConn Health offers medical and dentistry degrees as well as Ph.D.'s in the biomedical sciences and operates physician/dentist practices in a teaching and research hospital. There is also an affiliated entity that supports the mission of UConn Health: The University of Connecticut Foundation Inc. (the "Foundation"). The Foundation raises funds to promote, encourage, and assist education, research and clinical care at the University, including UConn Health.

The financial operations of UConn Health are reported in the State of Connecticut annual comprehensive financial report using the fund structure prescribed by Governmental Accounting Standards Board (GASB). The State includes the transactions and balances of UConn Health within an enterprise fund under the major business-type activities of 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.

Basis of Presentation

UConn Health's financial statements are prepared using the economic resources measurement focus and in accordance with all relevant GASB pronouncements.

Proprietary Fund Accounting

UConn Health utilizes the proprietary fund method of accounting whereby revenue and expenses are recognized on the accrual basis. Revenues are recognized when earned, expenses are recognized when incurred, and all significant intra agency transactions have been eliminated.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, deferred inflows and outflows of resources and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Financial statement areas where management applies the use of significant estimates consist primarily of the allowance for uncollectible accounts, contractual allowances, malpractice reserves, third-party reimbursement reserves, compensated absences, pension, and OPEB liabilities.

Recently Adopted Accounting Pronouncements

In January 2017, GASB Issued Statement No. 84, *Fiduciary Activities*. The objective of this Statement is to enhance the consistency and comparability of fiduciary activity reporting by state and local governments and to improve the usefulness of fiduciary activity information primarily for assessing the accountability of governments in their roles as fiduciaries. This statement establishes criteria for identifying fiduciary activities with the focus on whether a government is controlling the assets of the fiduciary activity and the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The provisions of this statement are effective for reporting periods beginning after December 15, 2019. UConn Health has evaluated this statement and believes it does not materially impact its consolidated financial statements.

In June 2018, GASB issued Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period.* The objective of this Statement is to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and to simplify accounting for interest cost incurred before the end of a construction period. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. The provisions of this Statement are effective for the reporting periods beginning after December 15, 2019. However, GASB Statement No. 95 extended the effective dates to reporting periods beginning after December 15, 2020. UConn Health evaluated the impact of this Statement and determined there are no such transactions at the present time and therefore this Statement does not impact the consolidated financial statements.

In June 2018, GASB issued Statement No. 90, *Majority Equity Interests.* The objective of this Statement was to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization. A majority equity interest in a legally separate organization that meets the definition of an investment as defined by GASB should be measured using the equity method. Majority equity interests that do not meet the definition of an investment are required to be reported as a component unit. GASB 90 also provides guidance for reporting a component unit if a government acquired a 100% equity interest in that component unit. The provisions of this Statement are effective for the reporting periods beginning after December 15, 2018. However, GASB Statement No. 95 extended the effective dates to reporting periods beginning after December 15, 2019. UConn Health has evaluated this statement and believes it does not materially impact its consolidated financial statements.

In March, 2020, GASB issued Statement No. 93, *Replacement of Interbank Offered Rates.* Some governments have entered into agreements in which variable payments made or received depend on an interbank offered rate (IBOR) – most notably, the London Interbank Offered Rate (LIBOR). As a result of global reference rate reform, LIBOR is expected to cease to exist in its current form, prompting governments to amend or replace financial instruments for the purpose of replacing LIBOR with other reference rates either by changing the reference rate or adding or changing fallback provisions related to the reference rate. The objective of this Statement is to address the accounting and financial reporting effects that result from the replacement of IBORs with other reference rates in order to preserve the reliability, relevance, consistency, and comparability of reported information. The Statement also addresses lease modifications and hedging transactions effected by an IBOR amendment. The effective date of the provisions of this Statement are effective for reporting periods beginning after June 15, 2020. Except for paragraphs 13 and 14 regarding lease modifications which have been extended by GASB No. 95 until reporting periods beginning after June 15, 2021. Paragraph 11b of GASB 93 is effective for reporting periods ending after December 31, 2021. Paragraph 11b indicates that LIBOR is not an appropriate benchmark interest rate for a derivative instrument that hedges the interest rate risk of taxable debt. Earlier application is encouraged. UConn Health has evaluated this statement and believes it does not have a material impact on the consolidated financial statements.

In October, 2021 GASB issued Statement No. 98, *The Annual Comprehensive Financial Report.* The objective of this Statement is to address references in authoritative literature to the term comprehensive annual financial report. This Statement establishes the term *annual comprehensive financial report* and its acronym *ACFR.* This Statement was developed in response to concerns raised by stakeholders that the common pronunciation of the acronym for comprehensive annual financial report sounds like a profoundly objectionable racial slur. The introduction of the new term is founded on a commitment to promoting inclusiveness. This Statement replaces an existing term but does not establish new accounting and financial reporting requirements. The requirements of this Statement apply to all state and local governments and is effective for fiscal years ending after December 15, 2021 with earlier application encouraged. UConn Health has adopted this Statement.

Upcoming Accounting Pronouncement

In June 2017, GASB issued Statement No. 87, *Leases.* The objective of this Statement is to improve accounting and financial reporting for leases by governments. This statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as deferred inflows of resources or deferred outflows of resources based on the payment provisions of the contract. The original effective date of this statement was for reporting periods after December 15, 2019. However, GASB Statement No. 95 postponed the effective date to fiscal years beginning after June 15, 2021 and all reporting periods thereafter. UConn Health is currently evaluating the impact this Statement will have on its financial statements.

In May, 2019 GASB Issued Statement No. 91, *Conduit Debt Obligations*. The objective of this statement is to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice with commitments extended by issuers, arrangements characterized as leases that are associated with conduit debt obligations, and related note disclosures. The original effective date of GASB 91 was for reporting periods beginning after December 15, 2020. However, GASB 95 extended the effective dates to reporting periods beginning after December 15, 2021. UConn Health is currently evaluating the impact this Statement will have on its financial statements.

In January 2020, GASB issued Statement No. 92, Omnibus 2020 (GASB 92). The objectives of this Statement are to enhance the comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement establishes accounting and financial reporting requirements for specific issues related to leases, intra-entity transfers of assets, postemployment benefits, government acquisitions, risk financing, and insurance-related activities of public entity risk pools, fair value measurements, and derivative instruments. The requirements of this Statement apply to the financial statements of all state and local governments.

GASB Statement 92, paragraph 11 – reinsurance recoveries and paragraph 13 – terminology used to refer to derivative instruments was effective upon issuance. It is believed that the provisions for reinsurance recoveries and derivative instruments have no impact on UConn Health's financial statements.

In March, 2020, GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availablity Payment Arrangements.* Public-private and public-public partnerships collectively referred to hereinafter as PPPs comprise a wide variety of arrangements between a government and another party that are engaged in providing services to a government's constituents. Availability payment arrangements (APAs) also have been used in practice to procure government services.
The objective of this Statement is to better meet the information needs of financial statement users by improving the comparability of financial statements among governments that enter into PPPs and APAs and by enhancing the understandability, reliability, relevance, and consistency of information about PPPs and APAs. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022 and all reporting periods thereafter. Earlier application is encouraged. UConn Health is currently evaluating the impact of this Statement on the consolidated financial statements.

In May 2020, GASB issued Statement No. 95, Postponement of the Effective Dates of Certain Authoritative Guidance. The primary objective of the Statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. The Statement extended the effective dates of GASB 84 to reporting periods beginning after December 15, 2019. It also extended the effective date of GASB 87 to fiscal years beginning after June 15, 2021 and all reporting periods thereafter. The Statement also extended the effective dates of GASB Statement 92: paragraphs 6, 7. These areas specifically cover intra entity transfers regarding pensions and OPEB plans, as well as reporting assets accumulated for defined benefit postemployment benefits provided through plans that are not administered through trusts that meet certain criteria. Paragraphs 8, 9 and 12 cover the applicability of GASB No. 84 to post employment benefit arrangements and nonrecurring fair value measurements to reporting periods beginning after June 15, 2021. Paragraph 10 relates to government acquisitions occurring in reporting periods beginning after June 15, 2021.

In May, 2020, GASB issued Statement No. 96, *Subscription –Based Information Technology Arrangements.* It has become common for governments to enter into subscription-based contracts to use vendor-provided information technology (IT). Subscription-based information technology arrangements (SBITAs) provide governments with access to vendors' IT software and associated tangible capital assets for subscription payments without granting governments perpetual license or title to the IT software and associated tangible capital assets. Prior to the issuance of this Statement, there was no accounting or financial reporting guidance specifically for SBITAs. The objective of this Statement is to better meet the information needs of financial statement users by establishing uniform accounting and financial reporting requirements for SBITAs, improving the comparability of financial statements among governments that have entered into SBITAs and enhancing the understandability, reliability, relevance, and consistency of information about SBITAs. The effective date of this Statement are for fiscal years beginning after June 15, 2022 and all reporting periods thereafter. Earlier application is encouraged. UConn Health is currently evaluating the impact of this Statement on the consolidated financial statements.

In June, 2020, GASB issued Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans.* The primary objective of this Statement is to increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform, mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution plans, defined contribution other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements, and enhance the relevance , consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans that meet the definition of a pension plan and for benefits provided through those plans.

In certain instances, a legally separate organization does not have a governing board. For purposes of determining whether a primary government is financially accountable for a potential component unit, except for a potential component unit that is a defined contribution pension plan, a defined contribution OPEB plan or another employee benefit plan (for example, certain Section 457 plans), if the primary government performs the duties that a governing board typically would perform, the absence of a governing board should be treated the same as the appointment of a voting majority of a governing board. The financial burden criterion from GASB Statement No. 84, paragraph 7 is applicable to only defined benefit pension plans and defined benefit OPEB plans that are administered through trusts that meet certain criteria.

Effective June, 2020 Section 457 plans that are legally separate entities should be reported as component units if a primary government is legally or otherwise obligated to make contributions to the pension or OPEB plan.

Effective for fiscal years beginning after June 15, 2021, Section 457 plans should be reported as pension or OPEB plans. UConn Health has evaluated this statement and believes it does not have a material impact on the consolidated financial statements.

Cash and Cash Equivalents:

UConn Health considers all funds that have not been board or otherwise designated and which are held on its behalf by the State of Connecticut to be cash.

Investments and Investment Income

The State of Connecticut has established various funds to account for the operations of UConn Health. These funds include the University Health Center Operating Fund (Fund 12018), the University Health Center Research Foundation Fund (Fund 12023), the University Health Center Hospital Fund (Fund 21002) and the UConn Health Malpractice Fund (Fund 35015). Grants and contracts for research and related retained overhead recoveries are accounted for in the Research Foundation Fund. The Malpractice Fund accounts for assets set aside annually as part of the Health Center's self-insurance for malpractice claims. The Operating Fund acts as a "General Fund" for UConn Health, accounting for all operations not accounted for elsewhere.

Research Foundation Fund and Malpractice Fund assets in excess of immediate cash needs are invested in the State of Connecticut Short-Term Investment Fund (STIF). Most restricted Research Foundation Fund assets are not invested, though there are certain exceptions including gift accounts and funds invested at the request of sponsoring organizations. Local student activity funds administered by UConn Health are also invested in STIF; these funds are minimal in amount.

The STIF, which was established and is operated under Sections 3-27a through 3-27i of the General Statutes, provides State agencies, funds, political subdivisions and others with a mechanism for investing at a daily-earned rate with interest from day of deposit to day of withdrawal. STIF participants have daily access to their account balances. Underlying investments of the STIF are mainly in money market instruments.

Though Operating Fund participation in STIF is not significant, UConn Health earns interest on Operating Fund cash balances through the State Treasurer's interest credit program. Under this program, the Treasurer pays UConn Health STIF equivalent interest on the average daily cash balance held in the Operating Fund each quarter. Additionally, interest is paid on monies transferred from UConn Health's civil list funds into the direct disbursement account used to process checks issued directly to vendors by UConn Health. Though the balance in this account may include assets of the Operating, Research Fund and Hospital Funds, all interest earned is credited to the Operating Fund. The Hospital Fund does not participate in STIF, the Treasurer's interest credit program, other than described above.

Investment Income also includes amounts received from endowments.

Accounts Receivable and Net Patient Service Revenues

Net patient service revenues are reported at the estimated net realizable amounts from patients, third-party payers, and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payers. Settlements are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined.

The amount of the allowance for uncollectible accounts is based upon management's assessment of historical and expected net collections, business and economic conditions, trends in Medicare and Medicaid health care coverage and other collection indicators.

Contract and Other Receivables

Contract and other receivables include services provided to area hospitals under various agreements and certain agreements with outside providers and pharmacies. Revenue is recorded on the accrual basis of accounting in the period the related services are rendered.

Due from/to Affiliate

Due from affiliate includes the unspent portion of general obligation bond proceeds allocated to UConn Health for capital projects that are administered by the University of Connecticut. Due to affiliate includes payables to the University of Connecticut resulting from cost-reimbursement arrangements for shared operating activities. Additional information on these can be found in note 12 and 14.

Due from/to State

Due from State includes an appropriation receivable from the General fund of the State for payroll, as well as unspent State bond funds designated to UConn Health by the State Bond Commission for specific capital projects.

The State administers employee benefit and retirement plans. UConn Health is charged based on an annual fringe benefit rates that are applied to employee salaries. The amount due to State consists of fringe benefits accrued in relation to accrued salaries reported at the end of the fiscal year.

Inventories

Consumable supplies are expensed when received with the exception of certain central inventories. Cost of the inventory is determined on a moving average basis for the Central Warehouse, and on a first-in, first-out basis for the others. Pharmacy inventory is valued at market which approximates cost due to high turnover rates for institutional pharmaceuticals. Short-term or minor supplies are expensed as incurred.

Prepaid Expense

Prepaid expenses include payments to vendors before the goods and/or services are received typically for agreements ranging between three months and one year. We expect the benefit for these payments to be realized over the next twelve months.

Deposits with Vendors

Deposits with vendors are required payments based on certain contractual arrangements. Approximately 96% of the current balance is for deposits held with AmerisourceBergen. This is the primary pharmaceutical vendor used by UConn Health. As part of its contract UConn Health is required to maintain a deposit with the vendor based on a percentage of the prior quarter's purchases in order to access preferred pricing. These deposits are non-interest bearing and are considered subject to the credit risk of the vendor. We do not expect a return of these funds within the next twelve months.

Capital and Intangible Assets

Property and equipment acquisitions are recorded at cost or, in the case of gifts, at acquisition value. All land is capitalized regardless of cost. Betterments and major improvements are capitalized and maintenance and repairs are expensed as incurred. Equipment with a value of $5,000 or more and a useful life of more than one year is capitalized.

UConn Health capitalizes fine, non-decorative art at cost. Fine art is not depreciated.

Intangible assets consist of capitalized computer software costs, including software internally developed. Costs incurred in the development and installation of internal use software are expensed or capitalized depending on whether they were incurred in the primary project stage, application development state, or post-implementation state, and the nature of the costs.
Assets acquired under capital leases and leasehold improvements are depreciated no longer than the lease term.

Depreciation is computed using the straight-line method over the estimated useful lives of the respective assets:

Buildings and Building Improvement	3 - 50 years
Equipment	2 - 15 years
Computer software	3 - 15 years

Impairment of Long-Lived Assets

UConn Health records impairment losses on long-lived assets used in operations when events and circumstances indicate that the assets might be impaired and the undiscounted cash flows estimated to be generated by those assets are less than the carrying amounts of those assets. During 2021, UConn Health disposed of Medical Equipment including a Sequencing System, X-ray Units, Ultrasound Scanner and Cerebral Oximeter. The combined loss on disposal was approximately $121,000. UConn Health also disposed of or traded in a number of smaller items leading to a total loss on disposal of $75,000. None of these items were individually significant.

As of June 30, 2021, UConn Health disposed of information technology equipment and general equipment to fit out the EPIC project in the University Tower. The combined value of these assets was approximately $5.0 million. These assets were reported in equipment in note 9 and there was no loss on disposal.

Medical Malpractice

Health care providers and support staff of UConn Health are fully protected by state statutes from any claim for damage or injury, not wanton, reckless or malicious, caused in the discharge of their duties or within the scope of their employment ("statutory immunity"). Any claims paid for actions brought against the State as permitted by waiver of statutory immunity have been charged against UConn Health's malpractice self-insurance fund. Effective July 1, 1999, UConn Health developed a methodology by which it could allocate malpractice costs between the Hospital, UMG, and Dental practices. For the year ended June 30, 2021, these costs are included in the statement of revenues, expenses and changes in net position.

Compensated Absences

UConn Health's employees earn vacation, personal, compensatory, and sick time at varying rates depending on their collective bargaining units. Employees may accumulate sick leave up to a specified maximum. Employees are not paid for accumulated sick leave if they leave before retirement. However, employees who retire from the Hospital may convert accumulated sick leave to termination payments at varying rates, depending on the employee's contract. Amounts recorded on the statements of net position are based on historical experience.

Following the adoption of GASB 68, *Accounting and Financial Reporting for Pensions*, certain fringe benefit costs associated with compensated absences were included in the pension liability and excluded from the compensated absences accrual. All other compensated absences are accrued at 100% of their balance. Compensated absences have been allocated between current and noncurrent based on historical information.

Third-Party Payors

Laws governing the Medicare and Medicaid programs are extremely complex and subject to interpretation. Each year, as the Office of Inspector General's (OIG) work plan changes, new areas of scrutiny surface. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in any given period.

Pension Liabilities

In accordance with GASB 68, UConn Health records its proportionate share of the collective net pension liability and collective pension expense for each defined-benefit plan offered to its employees. The collective net pension liability for each plan is measured as the total pension liability less the amount of the pension plan's fiduciary net position. The total pension liability is the portion of the actuarial present value of projected benefits payments that are attributable to past periods of plan member service. Information about the fiduciary net position and additions to/deductions from each pension plan's fiduciary net position have been determined on the same basis as they are reported by each pension plan. For this purpose, plan member contributions are recognized in the period in which the contributions are due. Employer contributions are recognized in the period in which the contributions are appropriated. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan.

OPEB Liabilities

In accordance with GASB 75, UConn Health records its proportionate share of the collective liability for Post-Employment Benefits Other than Pension (OPEB). The collective net OPEB liability is measured as the total liability less the amount of the plan's fiduciary net position. The total OPEB liability is the portion of the actuarial present value of projected benefits payments that are attributable to past periods of plan member service. For this purpose, plan member contributions are recognized in the period in which the contributions are due. Employer contributions are recognized in the period in which the contributions are appropriated. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Deferred Outflows of Resources and Deferred Inflows of Resources

UConn Health reports its proportionate share of collective deferred outflows of resources or collective deferred inflows of resources related to its defined-benefit pension and OPEB plans. Differences between expected and actual experience in the measurement of the total pension liability and OPEB liability, changes of assumptions or other inputs, and differences between actual contributions and proportionate share of contributions are classified as either deferred outflows or deferred inflows, and are recognized over the average of the expected remaining service lives of employees eligible for pension benefits and OPEB benefits. The net differences between projected and actual earnings on pension and OPEB plan investments are reported as deferred outflows or deferred inflows and are recognized over the average remaining service lives of the plan participants. Contributions to the pension and OPEB plan from UConn Health subsequent to the measurement date of the net pension liability and before the end of the reporting period are reported as a deferred outflow of resources related to pensions and OPEB and recognized in the subsequent year.

Net Position

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

- Net investment in capital assets: Capital assets, net of accumulated depreciation and amortization, reduced by outstanding principal balances of notes that are attributable to the acquisition, construction, or improvement of those assets.
- Restricted nonexpendable: Endowment and similar type assets for which donors or outside sources have stipulated as a condition of the gift instrument that the principal is to be maintained inviolate and in perpetuity. These assets are invested for the purpose of producing present and future income, which may be expended or reinvested in principal.
- Restricted expendable: Assets reduced by liabilities related to those assets that are expendable but where UConn Health is legally or contractually obligated to spend the resources in accordance with restrictions imposed by external third parties.
- Unrestricted: The net amount of assets, deferred outflows of resources, liabilities, and deferred inflows of resources not otherwise restricted that do not meet the definition of "restricted" or "net investment in capital and intangible assets". These assets are not subject to externally imposed stipulations, but they may be subject to internal designations. In general, all unrestricted amounts in net position are assigned to support academic, clinical, and research programs, capital projects, retirement of indebtedness, and auxiliary enterprise activities.

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

In order to ensure observance of limitations and restrictions placed on the use of the resources available to UConn Health, the accounts of UConn Health 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 and objectives.

Revenues and Expenses

UConn Health breaks out revenues between operating and non-operating based on the nature of the transaction as being either an exchange or non-exchange transaction. *GASB Statement No. 33, Accounting and Financial Reporting for Non-exchange Transactions,* requires recipients of government-mandated and voluntary non-exchange transactions to recognize revenue when all applicable eligibility requirements are met for these transactions. Restricted grant revenue that does not meet the non-exchange 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.

UConn Health uses the criteria listed below:

- Operating revenues and expenses: Operating revenues consist of tuition and fees, patient services, grants, contracts, other operating revenues. Operating expenses include all expense transactions incurred other than those related to investing or financing. These expenses are reported using functional classification. See Note 15 for operating expenses presented by natural classification.
- Non-operating revenues and expenses: All other revenues and expenses for UConn Health are reported as non-operating revenues and expenses including State appropriations, including capital, noncapital gifts, investment income and Coronavirus Relief Funds. Interest expense and loss on disposal of property and equipment, net, are also reported as non-operating.

Scholarship Discounts and Allowances

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

University of Connecticut MOUs

The University of Connecticut 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 set forth in formal MOUs that are reviewed and agreed upon by both parties on an annual basis. The expenses from these MOUs are recorded as part of operating expenses in the accompanying Statement of Revenues, Expenses and Changes in Net Position. See Note 14 for further details.

Regulatory Matters

The Hospital is required to file semi-annual and annual operating information with the State of Connecticut Office of Health Strategy (OHS), and is required to file annual cost reports with Medicare.

Home Office Allocation

The Home Office allocation allocates substantially all central administrative costs to its separate business units. The amount charged to the separate business units may not necessarily result in the net costs that are to be incurred by the business units on a standalone basis. The Home Office expenses are allocated based on several different methodologies depending on cost type. The Home Office allocation amounts are charged to business units each month based on operational results. Allocated expenses are grouped in their functional classification category for financial reporting purposes. The natural classification can be found in Note 15.

Other Significant Events

In March 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a pandemic which continues to spread throughout the United States and the World. The COVID-19 outbreak in the United States caused business disruption through mandated and voluntary closings of businesses across the country. UConn Health's clinical operations elected to pause elective procedures on March 13, 2020 and did not resume until May 20, 2020. As a result, clinical volumes and results were lower in fiscal 2020 than in fiscal 2021. UConn Health continues to diligently navigate the pandemic and its many associated business challenges including PPE shortages, supply chain disruption, aid application and reporting requirements, variant waves, and staffing shortages. Management remains focused on providing exceptional, reliable, and safe patient care to our community. UConn Health implemented a mandatory masking policy for patients, staff, and visitors in 2021 and has adopted a mandatory vaccine policy in fiscal 2022. Both policies focus on ensuring the health of our patients, staff, and visitors. Due to the rapid development and fluidity of the pandemic, including variant spread, the magnitude and duration of the pandemic and its impact on UConn Health's financial condition or results remain uncertain as of the date of this report.

During fiscal year 2021, clinical operations received \$14.6 million via the Coronavirus Aid, Relief, and Economic Security (CARES) Act General Distribution Phase 3 based on lost revenue. Funds received under this program carry reporting and other requirements outlined by the federal government, which began September 30, 2021. UConn Health has met these requirements.

UConn Health's clinical operations are eligible for distributions for treating uninsured patients, though this population is not considered material.

UConn Health may also apply for reimbursement of expenses under two additional funding mechanisms: the Federal Emergency Management Agency (FEMA) and the Coronavirus Relief Fund (CRF). UConn Health is eligible to submit expenditures incurred in responding to the public health emergency to FEMA for consideration, and UConn Health has obtained a commitment from the State of Connecticut as part of the CRF to assist with eligible pandemic related expenses not reimbursed by FEMA. The FEMA application process can be time intensive and UConn Health only recently received confirmation of FEMA funding for expenses from fiscal year 2020. See note 16 for additional details.

2. CASH DEPOSITS AND INVESTMENTS

Statement No. 40 of the GASB requires governmental entities to disclose credit risk associated with cash deposits and investment balances, and investment policies applied to mitigate such risks, especially as it relates to uninsured and unregistered investments for which the securities are held by the broker or dealer, or by its trust department or agent, but not in UConn Health's name.
UConn Health’s cash and cash equivalents, current and noncurrent, balance was $192,635,651 as of June 30, 2021 and included the following:

		2021
Cash maintained by State of Connecticut Treasurer	$	160,998,346
Invested in State of Connecticut Short-Term Investment Fund		31,446,911
Deposits with Financial Institutions and Other		182,669
Currency (Change Funds)		7,725
Total cash and cash equivalents		192,635,651
Less: current balance		192,141,679
Total noncurrent balance	$	493,972

Collateralized deposits are protected by Connecticut statute. Under this statute, 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 based on the bank's risk-based capital ratio – a measure of the bank's financial condition. 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 of Connecticut were insured by the Federal Deposit Insurance Corporation or collateralized. As a State agency, UConn Health benefits from this protection, though the extent to which the deposits of an individual State agency such as UConn Health are protected cannot be readily determined.

Short-Term Investment Fund (STIF)

STIF is a money market investment pool in which the State, municipal entities, and 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, saving accounts, banker’s acceptances, repurchase agreements, asset-backed securities, and student loans. For financial reporting purposes, STIF is considered to be "cash equivalents" in the statements of net position.

UConn Health's cash management investment policy authorizes UConn Health to invest in the State Treasurer’s Short Term Investment Fund, United States Treasury bills, United States Treasury notes and bonds, United States Government Agency obligations, banker's acceptances, certificates of deposit (including EURO Dollars), commercial paper, money market funds, repurchase agreements and savings accounts. The $31,446,911 invested in the State of Connecticut Investment Pool is invested by the State Treasurer in its Short-term Investment Fund and had a Standard and Poor’s rating of AAAm during fiscal year 2021.

Certain funds are held by outside fiscal agents and are not under the direct control of UConn Health. Accordingly, the assets of these funds are not included in the financial statements. The fair value amount of these funds was $2,558,200 as of June 30, 2021. Investment income earned on these assets is transferred to UConn Health in accordance with the applicable trust agreement. Income earned from those sources was $5,660 for the year ended June 30, 2021.

3. HYPOTHECATION

Individual components of UConn Health are allowed to borrow from the State on the basis of their net patient receivables and contract and other receivables to fund operations. These units include John Dempsey Hospital and the UConn Medical Group. John Dempsey Hospital is allowed to borrow from the State at up to 90% of its receivables. UConn Medical Group is allowed to borrow at up to 70% of its receivables. As of June 30, 2021, the Hospital and UMG had the following draws and availability under the State statute:

		2021		
		John Dempsey Hospital		UConn Medical Group
Amount Drawn under Hypothecation	$	-	$	4,882,505
Remaining amounts available under Hypothecation	$	47,630,465	$	5,342,142

4. NET PATIENT SERVICE REVENUE

UConn Health provides health care services primarily to residents of the region.

Patient service revenues reported net of allowances and provisions for bad debt. UHPSI also deducts Direct and Indirect Remuneration (DIR) fees. DIR refers to the compensation received by Medicare Part D sponsors or their Pharmacy Benefits Manager (PBM) after point-of-sale. The year ended June 30 were:

	2021	
John Dempsey Hospital		
Gross patient services revenue	$ 1,342,597,608	
Less contractual allowances and provision for bad debt	886,037,519	
		$ 456,560,089
UConn Medical Group		
Gross patient services revenue	284,464,823	
Less contractual allowances and provision for bad debt	159,531,116	
		124,933,707
UHPSI		
Gross patient services revenue	49,356,197	
Less contractual allowances, Direct and Indirect Remuneration (DIR) fees and provision for bad debt	11,979,063	
		37,377,134
All other		10,028,428
Total net patient revenue		$ 628,899,358

Significant Concentrations

UConn Health has agreements with third-party payers that provide for payments at amounts different from its established rates. The most significant of these arrangements are with Medicare and Medicaid. Concentrations of net patient revenues and associated year-end receivables for these programs are shown in the table below as of June 30, 2021.

	Medicare	Medicaid
John Dempsey Hospital		
Net Revenue	33%	21%
Accounts Receivable	27%	12%
Uconn Medical Group		
Net Revenue	29%	16%
Accounts Receivable	25%	9%
UHPSI		
Net Revenue	22%	61%
Accounts Receivable	24%	51%

Laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation. UConn Health believes that it is in compliance with all applicable laws and regulations and is not aware of any pending or threatened investigations involving allegations of potential wrongdoing. While no such regulatory inquiries are outstanding, compliance with such laws and regulations can be subject to future government review and interpretation as well as significant regulatory action including fines, penalties, and exclusion from the Medicare and Medicaid programs. Changes in the Medicare and Medicaid programs and the reduction of funding levels could have an adverse impact on UConn Health.

5. CHARITY CARE

UConn Health's clinical operations provide charity care to eligible patients. UConn Health's individual clinical entities maintain records to identify and monitor the level of charity care provided. These records include the amount of charges forgone for services and supplies furnished under their respective charity care policies, the estimated cost of those services and supplies, and equivalent service statistics. No net patient revenue is recorded for these services, however, expenses associated with these services are included in the Statement of Revenues, Expenses, and Changes in Net Position.

Listed below are the charity care services provided along with the associated cost for the year ended June 30.

	2021	
	Charity Care Services	Cost of Services
John Dempsey Hospital	$ 3,075,486	$ 881,434
Uconn Medical Group	470,698	140,890
Educational Clinics	106,499	96,914
UHPSI	4,959	176
Total	$ 3,657,642	$ 1,119,414

6. ENDOWMENTS

UConn Health has designated the Foundation as its manager of endowment funds. The Foundation makes spending allocation distributions to UConn Health for each participating endowment. Distributions are spent by UConn Health in accordance with the respective purposes of the endowments and in accordance with the policies and procedures of UConn Health. Additional information is presented in note 14.

7. RESIDENCY TRAINING PROGRAM

UConn Health's School of Medicine Residency Training Program provides area hospitals with the services of interns and residents. Participating hospitals remit payments to UConn Health, in accordance with an established rate schedule, for services provided. UConn Health, in turn, funds the Capital Area Health Consortium, Inc., which coordinates the payment of payroll and the provision of related fringe benefits to the interns and residents, under a contractual arrangement. Amounts remitted or owed by participating hospitals for payments made to interns and residents, and amounts paid or due under contract to the Capital Area Health Consortium, Inc., are reflected in the accompanying financial statements as current unrestricted revenues and expenditures, respectively.

UConn Health's School of Dental Medicine also operates its Residency Training Program through the Consortium. Dental Residents work in local dental clinics honing their skills while providing services to traditionally underserved populations.

8. CONTINGENCIES

UConn Health is a party to various legal actions arising in the ordinary course of its operations. While it is not feasible to predict the ultimate outcome of these actions, it is the opinion of management that the resolution of these matters, exclusive of the event outlined below, will not have a material effect on UConn Health's financial statements.

On June 29, 2021, a judge decided for the plaintiffs in the case *Monroe Lynch, et al v. State of Connecticut*. The original judgment awarded the plaintiffs $37.6 million. Based on UConn Health's post-trial motions, the amount was reduced to $34.6 million, subsequent to year end. UConn Health has accrued a liability based on the initial judgment as adjusted. UConn Health believes there are substantial grounds for appeal and intends to vigorously pursue an appeal. Appeal documents were filed in September 2021.

9. CAPITAL AND INTANGIBLE ASSETS

Capital and intangible assets at June 30, 2021, consisted of the following:

		2021
Land	$	13,537,051
Construction in progress		6,776,894
Fine art		1,240,302
Buildings		1,260,979,707
Equipment		261,999,129
Computer software		77,556,034
Capital leases		18,304,966
		1,640,394,083
Less accumulated depreciation		768,333,022
Capital and intangible assets, net	$	872,061,061

Construction in progress at June 30, 2021, represents accumulated costs for various UConn Health construction projects. UConn Health has entered into various contractual arrangements related to these projects. Upon completion, the cost of the project is transferred to the appropriate investment in property and equipment category and depreciation will commence.

Plant and equipment activity and related information on accumulated depreciation for UConn Health for the year ended June 30, 2021 was as follows:

	2020	Additions	Deletions	2021
Capital assets not being depreciated				
Land	$ 13,537,051	$ -	$ -	$ 13,537,051
Construction in progress	10,690,101	10,689,346	(14,602,553)	6,776,894
Fine art	1,271,363	1,580	(32,641)	1,240,302
Total capital assets not being depreciated	25,498,515	10,690,926	(14,635,194)	21,554,247
Depreciable capital assets				
Buildings and building improvements	1,247,382,940	13,596,767	-	1,260,979,707
Equipment	268,821,045	10,760,698	(17,582,614)	261,999,129
Computer software	77,425,705	503,593	(373,264)	77,556,034
Capital leases	18,308,464	-	(3,498)	18,304,966
Total depreciable capital assets	1,611,938,154	24,861,058	(17,959,376)	1,618,839,836
Less accumulated depreciation:				
Buildings and building improvements	467,389,490	41,796,590	-	509,186,080
Equipment	209,532,072	19,041,793	(17,419,254)	211,154,611
Computer software	24,938,687	8,223,721	(373,264)	32,789,144
Capital leases	13,893,719	1,312,966	(3,498)	15,203,187
Total accumulated depreciation	715,753,968	70,375,070	(17,796,016)	768,333,022
Depreciable capital assets, net				
Buildings and building improvements	779,993,450	(28,199,823)	-	751,793,627
Equipment	59,288,973	(8,281,095)	(163,360)	50,844,518
Computer software	52,487,018	(7,720,128)	-	44,766,890
Capital leases	4,414,745	(1,312,966)	-	3,101,779
Total depreciable capital assets, net	896,184,186	(45,514,012)	(163,360)	850,506,814
Capital and intangible assets, net	$ 921,682,701	$ (34,823,086)	$ (14,798,554)	$ 872,061,061

10. LONG-TERM LIABILITIES

Long-term liability activity for the year ended June 30, 2021 was as follows:

	June 30, 2020 Balance	Additions	Reductions	June 30, 2021 Balance	Amounts due within 1 year
Long-Term debt:					
Capital Leases					
Capital lease obligation(GE Capital) - Payments including interest at 1.92% began November 2016 and continue until October 2021, collateralized by financed MRI equipment	$ 576,189	$ -	$ (430,757)	$ 145,432	$ 145,432
Capital lease obligation (Sysmex America)- Payments including interest at 1.88% began January 2017 and continue until December 2021, collateralized by financed Hemotology equipment	125,669	-	(83,385)	42,284	42,284
Capital lease obligation (GE Capital) - Payments including interest at 3.00% began March 2019 and continue until February 2025, collateralized by financed Davinci surgical robot	1,728,846	-	(350,393)	1,378,453	361,050
Capital lease obligation (GE Capital) - Payments including interest at 1.76% began July 2019 and continue until August 2024*, collateralized by financed Voluson P8 ultrasound	34,567	-	(5,598)	28,969	6,456
Capital lease obligation (GE Capital)- Payments including interest at 2.82% began October 2019 and continue until September 2024*, collateralized by financed 6 C-arms x-ray machines	799,674	-	(158,908)	640,766	182,941
Capital lease obligation (GE Capital) - Payments including interest at 1.85% began November 2019 and continue until October 2024*, collateralized by financed 1 C-arm x-ray machine	147,568	-	(28,354)	119,214	32,769
Capital lease obligation (Avaya) - Payments including interest at 5.65% began April 2020 and continue until March 2026, collateralized by financed phone system	877,011	-	(132,833)	744,178	140,556
Total Capital Leases	4,289,524	-	(1,190,228)	3,099,296	911,488
Business -type activities:					
Notes from Direct Borrowings -					
Secured mortgage - Capital Lease Funding (KeyBank), principal and interest payments began January 2004 and continue until November 2024, with interest at 6.34%	7,741,328	-	(1,568,443)	6,172,885	1,670,824
Secured mortgage - TIAA, 25 year, 4.809% coupon. Principal and interest payments began on April 15, 2015 and will continue until March 15, 2040	177,922,242	-	(5,535,524)	172,386,718	5,807,674
Total Notes From Direct Borrowing	185,663,570	-	(7,103,967)	178,559,603	7,478,498
Other long-term liabilities:					
Malpractice reserve	9,355,000	37,289,005	(4,974,205)	41,669,800	2,218,000
Compensated absences	44,666,600	30,805,684	(25,581,461)	49,890,823	20,390,379
Pension liability	1,018,772,595	320,279,548	(144,471,911)	1,194,580,232	-
OPEB liability	1,511,625,530	353,430,393	(78,790,734)	1,786,265,189	-
Total other long-term liabilities	2,584,419,725	741,804,630	(253,818,311)	3,072,406,044	22,608,379
Total Long - Term Liabilities	$ 2,774,372,819	$ 741,804,630	$ (262,112,506)	$ 3,254,064,943	$ 30,998,365

*In fiscal year 2021, 3 of the GE leases were amended due to a COVID-19 restructure deferral payment agreement. This agreement allowed for a one-month lease payment deferral due to the COVID-19 pandemic, which extended the lease termination dates by one month each.

All assets subject to capital lease agreements are included in property and equipment on the accompanying Statement of Net Position; depreciation on these assets is included in depreciation in the accompanying Statement of Revenues, Expenses, and Changes in Net Position (see note 9). Loans related to these capital lease agreements are included in long-term debt on the accompanying Statement of Net Position.

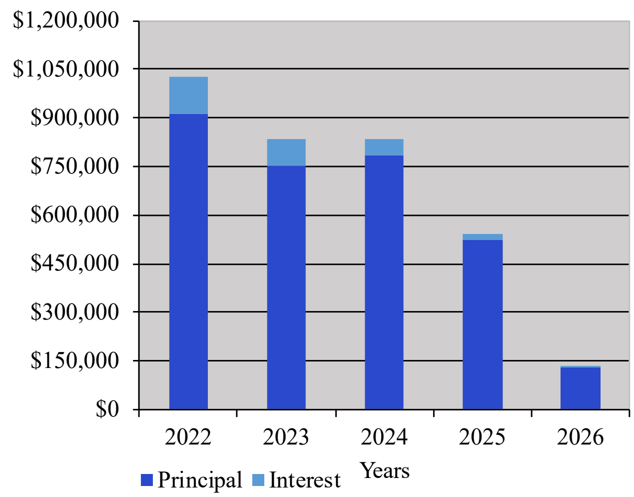
Outstanding notes from direct borrowings related to business-type activities of $178,559,603 as of June 30, 2021 are secured by the UConn Musculoskeletal Institute building, the Outpatient Pavilion, the Leasehold (as to Land) and Fee (as to improvements) Mortgage, Security Agreement, Assignment of Lease and Rents and Fixture Filing. The outstanding notes from direct borrowings related to business-type activities contain a provision that in an event of default, outstanding amounts become immediately due if payment has not been made when due.

Estimated cash basis interest and principal requirements for capital lease payments for the next five years are as follows:

	Future Minimum Capital Lease Payments	
Year Ending June 30,	Principal	Interest
2022	$ 911,488.00	$ 113,555
2023	752,370	84,125
2024	782,181	54,306
2025	522,160	18,622
2026	131,097	3,016
Total minimum payments	$ 3,099,296	$ 273,624

In fiscal year 2021, UConn Health recorded interest expense of $163,626 related to capital leases.

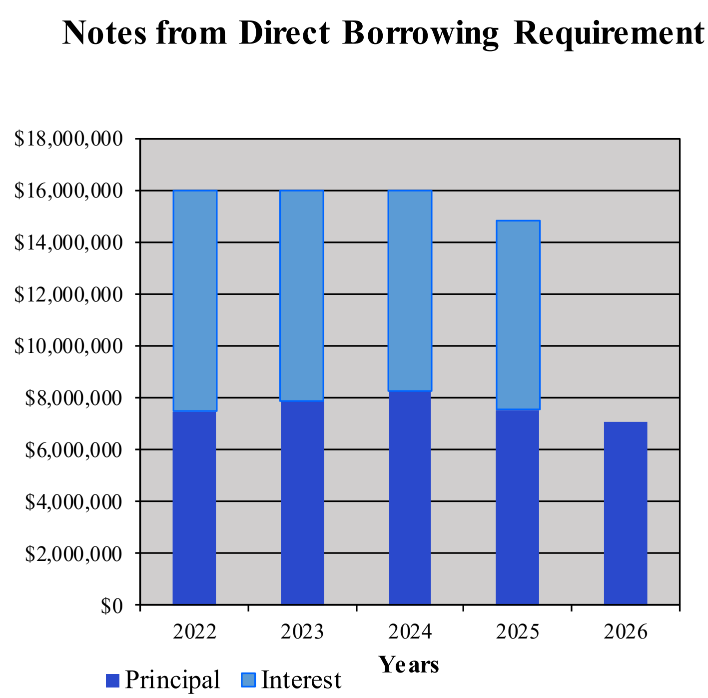
Capital Leases



Estimated cash basis interest and principal requirements for notes from direct borrowings for the remaining years of the notes are as follows:

Year Ending June 30,	Notes from Direct Principal	Interest
2022	$ 7,478,497	$ 8,506,542
2023	7,873,090	8,111,949
2024	8,288,841	7,696,199
2025	7,533,172	7,276,924
2026	7,036,815	6,934,037
2027-2031	40,726,442	29,127,818
2032-2036	51,771,874	18,082,385
2037-2040	47,850,872	4,539,822
	$ 178,559,603	$ 90,275,676

In fiscal year 2021, UConn Health recorded interest expense of $8,864,456 related to note borrowings.



Medical Malpractice Insurance

UConn Health is self-insured with respect to medical malpractice risks. Estimated losses from asserted and unasserted claims identified under UConn Health's incident reporting system and an estimate of incurred but not reported claims are accrued based on actuarially determined estimates that incorporate UConn Health's past experience as well as other considerations, including the nature of each claim or incident and relevant trend factors. The scope of UConn Health's assessment for establishing budgets for malpractice costs encompasses physicians, dentists, and all other UConn Health health care providers, and support staff.

UConn Health is involved in litigation claiming a substantial amount of damages arising in the ordinary course of business. Specifically, claims alleging malpractice have been asserted against UConn Health and are currently in various stages of litigation. Costs associated with these known claims, including settlements, as well as any new claims arising during the course of business will be paid from the malpractice fund.

Pursuant to Public Act No. 09-3, to the extent that claims for cases exceed current year premiums budgeted by UConn Health, UConn Health may petition the State to make up any difference. However, operational subsidies from the State and/or UConn Health may be affected by the performance of UConn Health's malpractice program. At June 30, 2021, UConn Health Malpractice Fund had actuarial reserves of approximately $41.7 million and assets of approximately $3.8 million.

11. RETIREMENT PLAN AND OTHER POST EMPLOYMENT BENEFITS

State Retirement Systems

UConn Health sponsors two defined benefit plans administered through the State: the State Employees' Retirement System (SERS) and the Connecticut Teachers' Retirement System (TRS); and the Alternate Retirement Plan (ARP) which is a defined contribution plan. Through employee participation in one of the above plans, employees are also enrolled in the State of Connecticut State Employee OPEB Plan (SEOPEBP). SERS, TRS and SEOPEBP do not issue stand-alone financial reports but are reported as fiduciary funds within the State's Annual Comprehensive Financial Report (ACFR). Financial reports are available on the website of the Office of the State Comptroller at www.osc.ct.gov. Information for the SERS and OPEB plans, in which UConn Health holds significant liabilities under GASB 68 and GASB 75, respectively, is presented below.

Effective July 1, 2017, the State legislature approved the State Employees' Bargaining Agent Coalition (SEBAC) 2017 agreement, which amended certain provisions under collective bargaining agreements for existing SERS plans by revising certain factors including employee contribution rates, annual cost-of-living adjustments (COLAs) for plan members retiring after July 1, 2022, and disability retirement requirements.

State Employees' Retirement System (SERS)

Pension plan - 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. SERS is administered by the State Comptroller's Retirement Division under the direction of the State Employees Retirement Commission. As of June 30, 2021, SERS consisted of plans in five tiers: Tier I, Tier II, Tier IIA, Tier III, and Tier IV including the (Hybrid Plan). In accordance with GASB 68, UConn Health must report for its participation in SERS as if it were a cost-sharing employer plan.

The percentage of UConn Health's eligible employees participating in SERS was approximately 65.3% in fiscal year 2021. Individuals actively employed and participating in the State Alternate Retirement Program (ARP) on September 22, 2010, were eligible to participate in the SEBAC ARP Grievance (SAG) Award. The SAG Award provided participants in ARP a one-time irrevocable opportunity to elect to transfer to SERS Tier II or Tier IIA (based on hire date) or to remain an ARP member. Accordingly, 439 UConn Health employees transferred to SERS from ARP during fiscal year 2019. The closing date for this one-time election was December 14, 2018.

Benefits provided - SERS was established by the Connecticut General Assembly for the purpose of providing retirement, disability, and death benefits along with annual cost-of-living adjustments (COLAs) to plan members and their beneficiaries. Generally, the monthly pension benefit is calculated in accordance with a basic formula, which takes into consideration average salary, credited service, and age at retirement. Further details on plan benefits, COLAs, and other plan provisions are described in Sections 5-152 to 5-192 of the State General Statutes.

Deferred Vesting – SERS

Tier I -	10 years of service
Tier II and IIA -	Effective July 1, 1997, 5 years of actual state service, 10 years of vesting service, or age 70 with 5 years of service
Tier III and IV -	10 years of benefit service

Contributions - The 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, 2021 were:

Tier I Hazardous – 6.0% of earnings up to Social Security Taxable Wage Base plus 7.0% of earnings above that level

Tier I Plan B – 4.0% of earnings up to Social Security Taxable Base plus 7.0% of earnings above that level

Tier I Plan C – 7.0% of earnings

Tier II Hazardous – 6.0% of earnings

Tier II (all others) – 2.0% of earnings

Tier IIA and III Hazardous – 7.0 % of earnings

Tier IIA and III (all others) – 4.0% of earnings

Tier IV Hazardous – 8% of earnings

Tier IV (all others) – 5% of earnings

In accordance with the SEBAC 2017 agreement, an increase to all non-Tier IV members contribution rates of 1.5% of earnings became effective July 1, 2017 and an additional 0.5% of earnings was effective July 1, 2019. 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%). Finally, all Tier IV employees must contribute 1% to the defined benefit component and may elect additional contributions of up to 3% of salary. The State is required to contribute at an actuarially determined rate to the defined benefit component and 1% of eligible compensation to the defined contribution component.

Individuals hired on or after July 1, 2011 and before July 1, 2017, who were otherwise eligible for the ARP, were also eligible to become members of the Hybrid Plan. The Hybrid Plan has defined benefits identical to Tiers II, IIA, and III, but requires employee contributions 3% higher than the contribution required from the applicable Tier II, IIA, or III Plan.

A one-time decision was granted to members not eligible to retire by July 1, 2022 to elect to maintain the same normal retirement eligibility applicable to members eligible to retire before July 1, 2011. Employees who elected by July 1, 2013 to maintain their eligibility are required to make additional employee contributions for the length of their remaining service with SERS. The additional contribution is up to 0.72% of pensionable earnings.

UConn Health makes contributions on behalf of the employees, through a fringe benefit charge assessed by the State. These amounts are expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. UConn Health's contributions were $99.9 million for fiscal year 2021.

In 2018, provisions under collective bargaining agreements were amended for existing SERS plans by revising certain factors including employee contribution rates and COLAs. A Tier IV plan was also placed into effect for employees hired on or after the effective date. These changes were effective July 1, 2017.

Proportionate share of collective Net Pension Liability (NPL) - The total pension liability (TPL) used to calculate the collective NPL was determined based on the annual actuarial funding valuation report as of June 30, 2020. UConn Health's proportion of the collective NPL was based on UConn Health's share of contributions relative to total contributions made to the respective pension plans. Based on this calculation, UConn Health's proportion of SERS was 5.01% which was an increase of .56% from its proportion measured as of June 30, 2019.

At June 30, 2021, UConn Health reported liabilities of $1,188.7 million for its proportionate share of the SERS collective NPL.

SERS Expense - For the year ended June 30, 2021, UConn Health recognized a SERS pension expense of $163.5 million.

Actuarial assumptions - For SERS, the RP-2014 White Collar Mortality Table projected to 2020 by scale BB at 100% for males and 95% for females is used for the period after service retirement and for dependent beneficiaries. The RP-2014 Disabled Retiree Mortality Table at 65% for males and 85% for females is used for the period after disability.

The TPL was based on actuarial study for the period July 1, 2011–June 30, 2015 for SERS using the following key assumptions:

Inflation	2.50 %
Salary increases	3.50% - 19.50%, including inflation
Investment rate of return	6.9%, net of pension plan investment expense, including inflation

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 assets allocation and best estimates of arithmetic real rates of return for each major asset class as of the June 30, 2020 measurement date are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Domestic Equity Fund	20.00%	5.60%
Developed Market Intl. Stock Fund	11.00%	6.00%
Emerging Market Intl. Stock Fund	9.00%	7.90%
Real Estate Fund	10.00%	4.50%
Private Equity	10.00%	7.30%
Alternative Investments	7.00%	2.90%
Core Fixed Income Fund	16.00%	2.10%
High Yield Bond Fund	6.00%	4.00%
Emerging Market Debt Fund	5.00%	2.70%
Inflation Linked Bond Fund	5.00%	1.10%
Liquidity Fund	1.00%	0.40%
Total	100.00%	

Discount rate - The discount rate used to measure the TPL at June 30, 2020 was the long-term rate of return of 6.9%. The projection of cash flows used to determine the discount rate 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. Projected future benefit payments for all current plan members were projected through the year 2140.

Based on those assumptions, SERS's fiduciary net position was 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 and a municipal bond rate was not used in determining the discount rate.

Sensitivity analysis - The following table presents UConn Health's proportionate share of the collective NPL calculated using the discount rate of 6.9%, as well as what UConn Health's proportionate share of the collective NPL would be if it were calculated using a discount rate that is 1-percentage-point lower (5.9%) or 1-percentage-point higher (7.9%) than the current rate (amounts in thousands):

1% Decrease (5.9%)	Current Discount Rate (6.9%)	1% Increase (7.9%)
$ 1,412,269	$ 1,188,704	$1,001,862

Pension plan fiduciary net position. Detailed information about the fiduciary net position of the

SERS pension plan is available in the State's ACFR for the fiscal year ended June 30, 2020.

<u>Connecticut Teachers' Retirement System (TRS)</u>

Pension 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 UConn Health, 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 - TRS provides retirement, disability, and death benefits, and 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 three years of paid salaries. Members are 100% vested after 10 or more years of credited service. Further information on TRS plan benefits, COLAs, and other plan provisions are described in Sections 10-183b to 10-183ww of the State General Statutes.

Contributions - The contribution requirements are established and may be amended by the State legislature. Plan members are required to contribute 7.0% of their annual salary. According to Section 10-183z of the State General Statutes, a special funding situation requires the State to contribute 100.0% of employer's contributions on behalf of its municipalities at an actuarially determined rate. However, a special funding situation does not apply to UConn Health because it is an agency of the State and is not a separate non-employer contributing entity. Therefore, like SERS, UConn Health makes contributions on behalf of these employees, through a fringe benefit charge assessed by the State. UConn Health's TRS contributions for the year ended June 30, 2021, was $491,023.

Proportionate share of collective Net Pension Liability (NPL) - The total pension liability (TPL) used to calculate the collective NPL was determined based on the annual actuarial funding valuation report as of June 30, 2020. UConn Health's proportion of the collective NPL was based on UConn Health's share of contributions relative to total contributions made to the respective pension plans. Based on this calculation, UConn Health's proportion of the TRS was .031% at the measurement date of June 30, 2020.

TRS Expense - For the year ended June 30, 2020, UConn Health recognized a TRS pension expense of $1,344,380.

Actuarial assumptions - TRS mortality rates were based on the PubT-2010 Healthy Retiree table (adjusted 105% for males and 103% for females as 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 generationally with MP-2019 was used for active members.

The TPL was based on an actuarial study for the period July 1, 2015 – June 30, 2019 for TRS, using the following key actuarial assumptions:

Inflation	2.50%
Salary increases	3.00% – 6.50%, including inflation
Investment rate of return	6.9%, net of pension plan investment expense, including inflation

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 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, 2020 measurement date are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Domestic Equity fund	20.00%	5.60%
Developed Market Intl. Stock Fund	11.00%	6.00%
Emerging Markets Intl. Stock Fund	9.00%	7.90%
Real Estate Fund	10.00%	4.50%
Private Equity	10.00%	7.30%
Alternate Investment	7.00%	2.90%
Core Fixed Income	16.00%	2.10%
High Yield Bond Fund	6.00%	4.00%
Emerging Market Debt Fund	5.00%	2.70%
Inflation Linked Bond fund	5.00%	1.10%
Liquidity Fund	1.00%	0.40%
Total	100.00%	

Discount rate - The discount rate used to measure the TPL was 6.9%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that State contributions will be made at the actuarially determined rates in future years. Based on those assumptions, the pension plan's fiduciary net position was 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 total pension liability.

Sensitivity analysis - The following presents UConn Health's proportionate share of the collective NPL calculated using the discount rate of 6.9%, as well as what the UConn Health's proportionate share of the collective NPL would be if it were calculated using a discount rate that is 1-percentage-point lower (5.9%) or 1-percentage-point higher (7.9%) than the current rate (amounts in thousands):

1% Decrease (5.9%)	Current Discount Rate (6.9%)	1% Increase (7.9%)
$ 7,350	$ 5,877	$ 4,653

Pension plan fiduciary net position - Detailed information about the fiduciary net position of the TRS pension plan is available in the State's ACFR for the fiscal year ended June 30, 2020.

Deferred outflows and deferred inflows of resources related to pensions -At June 30, 2021, UConn Health reported deferred outflows of resources 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	$ 31,663	$ 1,284	$ 32,947
Changes in proportion and differences between UConn Health contributions and proportionate share of contributions	207,082	1,641	208,723
Net differences between projected and actual earnings on pension plan investments	20,036	241	20,277
UConn Health contributions subsequent to the measurement date	99,867	491	100,358
Difference between expected and actual experience	64,157	-	64,157
Difference between expected and actual contributions	-	20	20
Total Deferred Outflows	$ 422,805	$ 3,677	$ 426,482
Deferred Inflows of Resources			
Changes in proportion and differences between UConn Health contributions and proportionate share of contributions	$ 160,878	$ 243	$ 161,121
Difference between expected and actual experience	-	176	176
Total Deferred Inflows	$ 160,878	$ 419	$ 161,297

The $100.4 million in deferred outflows relating to contributions made subsequent to the measurement date will be recognized as a reduction of the collective NPL in the reporting year ending June 30,

2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows (amounts in thousands):

Fiscal Year	SERS	TRS	Total
2022	$ 47,064	$ 753	$ 47,817
2023	12,726	712	13,438
2024	33,440	552	33,992
2025	54,066	448	54,514
2026	12,628	239	12,867
Thereafter	2,136	63	2,199
Total	$ 162,060	$ 2,767	$ 164,827

Alternate Retirement Plan

Defined Contribution Plan - UConn Health also sponsors the Alternate Retirement Plan (ARP), a defined contribution plan administered through a third-party administrator, Prudential Financial, Inc. 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.

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 prior to July 1, 2017, must contribute 6% of their eligible compensation, except for participants who elected the one-time option to remain at the previous employee contribution rate of 5%, and their employer must contribute 7% of eligible compensation. Participants hired on or after July 1, 2017, have the option to contribute 6.5% or 5% of their eligible compensation and their employer must contribute 6.5% 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.

UConn Health contributes its employer share through a fringe benefit charge assessed by the State; which includes OPEB. UConn Health contributed 14.82% during the year ended June 30, 2021, an increase from the contribution rate of 14.61% in the prior year. For fiscal year 2020, UConn Health's employer contributions to ARP were $27.3 million. Participant and employer contributions are both 100% vested immediately. The 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.

Upon separation from service, retirement, death or divorce (including alternate payee under a Qualified Domestic Relations Order), if you are age 55 or over and have more than 5 years of plan participation, a participant or designated beneficiary can withdraw a partial or lump cash payment, rollover to another eligible retirement plan or IRA, or receive installment payments or annuity payments. Other ARP provisions are described in Title 5 – State Employees, Chapter 66 – State Employees Retirement Act of the Connecticut General Statutes.

Post-Employment Benefits other than Pension

In addition to the pension benefits, the State provides post-retirement health care and life insurance benefits to UConn Health employees in accordance with State Statutes Sections 5-257(d) and 5-259(a). When employees retire, the State may pay up to 100% of their health care insurance premium cost (including dependents' coverage) based on the plan chosen by the employee. In addition, the State pays 100% of the premium cost for a portion of the employee's 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.

General Information about the SEOPEBP

Plan description - The State's defined benefit OPEB plan, State of Connecticut State Employee OPEB Plan (SEOPEBP), provides OPEB benefits for 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 and life insurance benefits to eligible retired State employees and their spouses as well as life insurance benefits to employees when they retire. The State may pay up to 100% of the healthcare insurance premium cost for eligible retirees. In addition, the State pays 100% 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, are described in the SEBAC 2017 agreement.

Employees covered by benefit terms - Demographic data for individual State entities in the OPEB plan are not readily available. At June 30, 2019, SEOPEBP in total covered the following:

Inactive employees or beneficiaries currently receiving benefit payments	77,141
Inactive employees entitled to but not yet receiving benefit payments	649
Active employees	48,015
Total covered employees	125,805

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

Similar to pension, UConn Health contributes to SEOPEBP on behalf of its employees by applying fringe benefit rates assessed by the State to eligible salaries and wages for participants in each retirement plan. This amount is expected to finance retiree healthcare service costs and fund the matching employer portion that is equal to the amount contributed by employees to the RHCF each year beginning on July 1, 2017. UConn Health's rate of actual contributions as a percentage of covered payroll was 15.7% and the total amount contributed to the plan was $66.8 million for the fiscal year ended June 30, 2021.

Proportionate share of collective net OPEB liability (NOL) and collective OPEB expense. The collective net OPEB liability was measured as of June 30, 2020, and the total OPEB liability (TOL) used to calculate the collective net OPEB liability was determined by an actuarial valuation as of that date. Changes in assumptions that affected the measurement of the TOL since the prior measurement date of June 30, 2019 were due to a decrease in the discount rate. In addition, demographic assumptions, per capita health costs, administrative costs, contributions and adjustments to future trends were also updated.

At June 30, 2021, UConn Health reported a liability of $1,786.3 million for its proportionate share of the collective net OPEB liability. UConn Health's proportion of the collective NOL was based on UConn Health's share of contributions relative to total contributions made to SEOPEBP. Based on this calculation, UConn Health's proportion was 7.6%, which was an increase of 0.3% from its proportion measured as of June 30, 2019.

Actuarial assumptions and other inputs - The net OPEB liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

*Discount rat*e - The discount rate changed to 2.38% as of June 30, 2021, from 3.58% as of June 30, 2020. The projection of cash flows used in calculating the discount rate included employer contributions actuarially determined in accordance with GASB 75 and employee contributions made in accordance with the current SEBAC agreements. The discount rate used is a blend of the long-term expected rate of return on OPEB trust assets and the municipal bond rate. The municipal bond rate is a yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rate of AA/Aa or higher (2.21% as of June 30, 2020). The blending is based on sufficiency of projected assets to make projected benefits.

Mortality rates for healthy personnel were based on the RP-2014 White Collar Mortality Table projected to 2020 by Scale BB at 100% for males and 95% for females. For disabled employees, the RP-2014 Disabled Mortality Table at 65% for males and 85% for females was used.

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2011—June 30, 2015.

Payroll growth rate:	3.5%
Salary increase:	3.25% to 4.5% varying by years of service
Discount rate:	2.38 % as of June 30, 2020

Healthcare cost trends rates

Medical *	6.0% graded to 4.5% over 6 years
Prescription drug*	6.0% graded to 4.5% over 6 years
Dental and Part B	3.0% and 4.5%, respectively
Administrative expense	3.0%

*Short-term rates were altered to reflect changes from the SEBAC 2017 agreement

Sensitivity of the net OPEB liability to changes in the discount rate - The following presents the net OPEB liability of UConn Health, as well as what the UConn Health's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.38%) or 1- percentage-point higher (3.38%) than the current discount rate:

	1% Decrease 1.38%	Discount Rate 2.38%	1% Increase 3.38%
		($ in thousands)	
Net OPEB Liability	$ 2,101,166	$ 1,786,265	$ 1,533,122

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates - The following presents the net OPEB liability of UConn Health, as well as what UConn Health's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	Healthcare Cost Trend Rates		
	1% Decrease	Current Valuation	1% Increase
		($ in thousands)	
Net OPEB Liability	$ 1,497,474	$ 1,786,265	$ 2,157,646

OPEB plan fiduciary net position – Detailed information about SEOPEBP's fiduciary net position is available in the State's ACFR for the fiscal year ending June 30, 2020.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB - For the year ended June 30, 2021, UConn Health recognized an OPEB expense of $209.9 million. At June 30, 2021, UConn Health reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
	($ in thousands)	
Changes in proportion	$ 216,736	$ -
UConn Health contributions subsequent to measurement date	66,784	-
Changes in assumptions or other inputs	296,502	34,688
Net difference between projected and actual earnings	3,522	-
Changes in expected and actual experience on Total OPEB Liability		41,231
Changes in proportion between employe and proportionate share of contributions		89,916
Total	$ 583,544	$ 165,835

UConn Health contributions subsequent to the measurement date totaling $66.8 million reported as deferred outflows of resources will be recognized as a reduction of the OPEB liability in the year ending June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30:	Amount
	($ in thousands)
2022	$ 87,770
2023	86,521
2024	107,698
2025	59,928
2026	9,008
Total	$ 350,925

Expected rate of return on investments – The target asset allocation and best estimate of arithmetic real rates of return for each major asset class in the SEOPEBP are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Domestic Equity fund	20.00%	5.60%
Developed Market Intl. Stock Fund	11.00%	6.00%
Emerging Markets Intl. Stock Fund	9.00%	7.90%
Real Estate Fund	10.00%	4.50%
Private Equity	10.00%	7.30%
Alternate Investment	7.00%	2.90%
Core Fixed Income	16.00%	2.10%
High Yield Bond Fund	6.00%	4.00%
Emerging Market Debt Fund	5.00%	2.70%
Inflation Linked Bond fund	5.00%	1.10%
Liquidity Fund	1.00%	0.40%
Total	100.00%	

12. BOND FINANCED ALLOTMENTS

UConn Health recognizes an asset when an allotment is processed for State general obligation bonds or when bonds are funded from UConn Health resources or issued under the UCONN 2000 program are sold.

In fiscal year 2002, the General Assembly of the State of Connecticut enacted and the Governor signed into law Public Act No. 02-3, An Act Concerning 21st Century UConn (Act). The Act authorized additional projects for the University and for the first time UConn Health for what is called Phase III of UCONN 2000. This Act amended PA No. 95-230 and extended the UCONN 2000 financing program.
The 21st Century UConn program was amended in fiscal year 2008, extending it an additional year to June 30, 2016, without any change in the total amount. In fiscal year 2010, the Act was amended again including a $25.0 million reallocation from existing UCONN 2000 UConn Health allocations, and a $207.0 million increase in UCONN 2000 debt service commitment authorizations for the UConn Health Network. This also extended the UCONN 2000 program two additional years to fiscal year 2018.

During the October 2011 special session, the Connecticut General Assembly adopted Public Act 11-2 which established the Connecticut Bioscience Collaboration Program (the "Collaboration") and authorized $290,685,000 of State general obligation bonds to be issued over a ten-year period and to be deposited in the Connecticut Bioscience Collaboration Fund. The Collaboration will support the establishment of a bioscience cluster anchored by the Jackson Laboratory for Genomic Medicine, a research laboratory located on UConn Health's Farmington campus.

In the June 2015 Special Session, the General Assembly of the State of Connecticut enacted and the Governor signed into law Public Act 15-01 (June Spec. Sess.), *An Act Authorizing and Adjusting Bonds of the State for Capital Improvements, Transportation, and Other Purposes*. The bill introduced language effective July 1, 2015, that allows the University to revise, delete or add particular projects to finance implementation of UConn Health's EMR, thus giving the University the flexibility to reallocate existing UCONN 2000 authorizations to the project in future years. Any additional remaining UCONN 2000 authorizations are included in the unspent portion of bond proceeds held as Due from Affiliates in the Statement of Net Position.

In December 2020, the University issued general obligation bonds at face value of $279.3 million, comprising $160.2 million of 2020 Series A Bonds and $119.1 million of 2020 Refunding Series A Bonds. The total bonds were issued at a premium of $63.7 million. Total net proceeds realized from the 2020 Series A Bonds were $200.0 million after the payment of issuance costs and underwriter fees. Of this amount, $680,000 was allocated to finance projects at UConn Health.

As of June 30, 2021, approved projects receiving bond funding from UConn General Obligation Bonds secured by the State's Debt Service Commitment had an allocated total of $825.9 million. The Act also requires UConn Health to contribute not less than $69.0 million through operations, eligible gifts, or other sources towards new UConn Health construction.

UConn Health reports revenues from these bonds as Capital Appropriations. As noted above, the current Phase III commitment to fund projects totals $825.9 million for UConn Health. 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 State Debt Service Commitment is the commitment by the State to pay an annual amount of debt service on securities issued as general obligations of the University. 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 of the other revenues for the payment of the bonds. The University therefore acts as custodian of the funds for UConn Health. A corresponding receivable, Due from Affiliates, is recorded for the unspent portion of the bonds, $3.0 million, at June 30, 2021, in the Statement of Net Position.

13. COMMITMENTS

On June 30, 2021, UConn Health had individual outstanding commitments exceeding $300,000 in amount, totaling $6,861,302. Portions of this amount were included in the June 30, 2021 Accounts Payable and Due to Related Parties. Commitments above do not include any commitments arising from the administration of UCONN 2000 funds by the University on UConn Health's behalf. Such obligations are paid directly from proceeds of bond issuances and are included in the University's financial statements.

UConn Health agreed to pay $63,426,788 during the 2021-2022 fiscal year to the Capitol Area Health Consortium to cover the payment of payroll, related fringe benefits, and certain program expenses for interns and residents participating in the School of Medicine and Dental Medicine Residency Training Programs. These costs are to be funded by participating hospitals, which will remit payments to UConn Health, in accordance with an established rate schedule, for services provided. Dental Residency costs will be funded by the School of Dental Medicine.

UConn Health leases various building space under operating lease commitments, which expire at various dates through fiscal year 2027. Expenses related to these leases were $5,506,807 for the year ended June 30, 2021. Future minimum rental payments at June 30, 2021 under non-cancelable operating leases are approximately as follows:

Year	Payments
2022	$ 4,172,828
2023	3,522,865
2024	2,918,892
2025	2,456,513
2026	2,402,195
2027-2031	8,638,826
Total	$ 24,112,119

14. RELATED PARTY TRANSACTIONS

The University of Connecticut Foundation, Inc. (the "Foundation") is a tax-exempt organization whose objective is the betterment of the University, including UConn Health. UConn Health has an agreement through the University to reimburse the Foundation for certain administrative services and the Foundation agreed to reimburse UConn Health for certain services performed and for operating expenses of the Foundation. The following material transactions occurred between UConn Health and the Foundation during the year ended June 30, 2021:

	2021
Amount paid to University for Foundation services	$ 945,000
Amount received from Foundation for personnel services and operating expenses	$ 1,482,141
Amount received from Foundation from endowments and gifts	$ 2,999,514

In addition, UConn Health directly engages in transactions with the University. The terms of material arrangements are set forth in formal Memorandum of Understanding's (MOU) that are reviewed and agreed upon by both parties on an annual basis. In fiscal year 2021, UConn Health recorded expenses of approximately $15.1 million to the University related to those MOU's. UConn Health also paid the University for other expenses related to grants and contracts, services of educational departments, and for miscellaneous goods and services.

The University and UConn Health executed a MOU with UConn Health to provide up to $2.6 million in funding to support the Dermatology Clinic Renovation project. In fiscal year 2021, UConn Health received $1.8 million related to this MOU. UConn Health will repay the University $800,000 in fiscal year 2022 and $1.0 million in fiscal year 2023.

Listed in the table below are the material transactions with the University excluding payments for Foundation services. Not included in this list are certain cost share arrangements for shared services and transactions related to UCONN 2000 as noted in note 12.

		2021
Agreements under an MOU		($ in thousands)
Public safety	$	8,620
Library		1,549
Communications		1,043
Technology commercialization Services		948
Information Technology		856
Audit, Compliance and Privacy		683
Document production		554
Ombudsman and institutional equity		359
Government relations		256
Miscellaneous		191
Total MOUs with University of Connecticut ^	$	15,059

^ A portion of this was included in Due to Affiliate in the accompanying Statement of Net Position

UConn Health recorded a payable to the University for $4.4 million related to these agreements. Additionally, the University transferred $2.0 million from unrestricted funds to UConn Health for partial support of our Nuclear Magnetic Resonance Facility Upgrade project in fiscal year 2021.

UConn Health provides pharmaceutical, medical, dental, and psychiatric care to inmates incarcerated at the State's correctional facilities. This program is funded from the State's General Fund through the Department of Corrections (DOC). UConn Health billed DOC $6.5 million in fiscal year 2021 for services.

Through UConn Health, the State seeks to meet certain met needs in the community including the training and development of new doctors and dentists. The State supports UConn Health's mission via two mechanisms: State Appropriations and the provision of In Kind Fringe Benefits. State Appropriations represent amounts the State allows UConn Health to charge back directly to the State's General Fund. In Kind Fringe Benefits take the form of forgone fringe benefit expense reimbursements related to salaries expensed on the General Fund.

For the year ended June 30, 2021, the amounts of the benefits recognized were as follows:

State of Connecticut Appropriations	$	116,932,522
Deficiency Appropriation Special Act 21-15		50,000,000
Bioscience CT Appropriation		15,923,000
Fringe Benefit Differential Sec 3-123i		13,500,000
Worker Compensation Appropriation		2,917,484
Amount of General Fund Appropriations from State of Connecticut	$	199,273,006
Amount of In Kind Fringe Benefits from State of Connecticut:	$	131,598,918
Total Appropriations and In Kind Fringe Benefits received from State of Connecticut	$	330,871,924

15. OPERATING EXPENSES BY NATURAL AND FUNCTIONAL CLASSIFICATION

The table below details UConn Health's operating expenses by natural and functional classification for the year ended June 30, 2021 (amounts in thousands).

	Natural Classification					
Functional Classification	Salaries and wages	Fringe benefits	Supplies and other expenses	Utilities	Depreciation and amortization	Total
Instruction	$ 81,373	$ 47,074	$ 48,621	$ 1,842	$ -	$ 178,910
Research	26,291	13,105	16,473	1,685	-	57,554
Patient services	307,129	392,396	263,777	3,233	-	966,535
Academic support	10,265	8,159	6,562	-	-	24,986
Institutional support	29,588	36,525	92,942	-	-	159,055
Operations and maintenance of plant	11,113	11,901	2,438	1,434	-	26,886
Depreciation and amortization	-	-	-	-	70,375	70,375
Student aid	-	-	39	-	-	39
Total	$ 465,759	$ 509,160	$ 430,852	$ 8,194	$ 70,375	$ 1,484,340

16. COVID-19 RELIEF REVENUE

The CARES Act was passed to mitigate the impact of the economic downturn set in motion by the global COVID-19 pandemic. Congress allocated $175 billion to provide financial relief during the COVID-19 pandemic to be allocated mainly through the Department of Health and Human Services HHS). GASB issued the Technical Bulletin 2020-1, Accounting and Financial Reporting Issues Related to the *Coronavirus Aid, Relief, and Economic Security Act (CARES Act) and Coronavirus Diseases*. UConn Health qualified for funding from various programs and received a total of $32.8 million.

UConn Health received funding from three different rounds, or tranches, of Provider Relief Funding. The first tranche was based on previous Medicare payments and totaled approximately $7.8 million. The second tranche was based on total revenue from Medicare Cost Report or net revenue and totaled $3.3 million. The final payment received in fiscal year 2020 was received under the Safety Net distribution and totaled approximately $7.2 million.

In fiscal year 2021, the Hospital received additional CARES Act funding of approximately $12.5 million from a "Hot Spot" allocation. The allocation was based on reported COVID-19 cases treated during the period of January 1, 2020 to June 10, 2020.

UConn Health also received approximately $2.1 million for Phase 3 which was based on lost revenue. Criteria and reporting requirements for the Provider Relief Funding have been established and continue to be updated by HHS. Regardless of the changes to the criteria, management believes that eligibility requirements have been met for the complete amount received based on increased operating expenses and lost revenue. As such, UConn Health recognized the funds received as non-operating revenue in 2021 statement of revenues, expenses and changes in net position.

Certain COVID-19 relief programs require that funds be utilized for lost revenue and COVID-19 related costs. Limitations are placed on the amount that can be collected from COVID-19 patients. Management's estimates of the amount of revenue recognized in fiscal year 2020 are completed, the regulations associated with that time were finalized in July 2021. Management estimates for fiscal year 2021 are pending reconciliation for submitted documentation. Any future adjustments to these estimates will be reported in the earnings of future fiscal years.

In fiscal year 2021, UConn Health received $1.0 million as proceeds for business interruption insurance for COVID-19. This amount was recognized as non-operating revenue in the 2021 statement of revenues, expenses and changes in net positon.

UConn Health also received in-kind support in the form of personal protection equipment and other equipment to facilitate its efforts to provide clinical care to COVID-19 patients. These items; which UConn Health valued at $58,828 are recorded as gifts in the statement of revenues, expenses and changes in net positon.

17. SUBSEQUENT EVENTS

In September of 2021, the Hospital began repayment on funds received under the Medicare Advance program. These funds were obtained from CMS (Medicare) on September 17, 2020. Under the program, the previous advance of roughly $45.3 million will be recouped beginning one year from the issuance date. The recoupment is scheduled to be achieved via Medicare withholding 25% of payments for the first eleven months and 50% of payments for the remaining six months. The advance was interest free, however, if amounts are not fully recouped using this methodology there will be a 4% interest rate charged on any outstanding advances not repaid at the end of the recoupment period.

No other subsequent events requiring recognition or disclosure in the financial statements other than the above were identified

REQUIRED SUPPLEMENTARY INFORMATION

State Employees' Retirement System (SERS)

Schedule of UConn Health's Proportionate Share of Collective Net Pension Liability (NPL)
Based on a valuation date lagging one year behind the fiscal year

	SERS ($ in thousands)						
Fiscal Year Ended June 30	2021	2020	2019	2018	2017	2016	2015
Proportion of collective NPL	5.01%	4.45%	3.62% *	5.50%	5.36%	5.29%	4.99%
Proportionate share of the collective NPL	$ 1,188,704	$ 1,014,303	$ 784,023	$ 1,159,362	$ 1,230,753	$ 873,351	$ 799,061
UConn Health's covered payroll	$ 222,553	$ 175,810	$ 150,434	$ 205,188	$ 200,050	$ 184,762	$ 167,523
Proportionate share of the collective NPL as a percentage of covered payroll	534.12%	576.93%	521.17%	565.02%	615.22%	472.69%	476.99%
Plan fiduciary net position as a percentage of the total pension liability	35.84%	36.79%	36.62%	36.25%	31.69%	39.23%	39.54%

* SERS % decline due to discontinuation of CMHC and the transfer of staff to DOC.

Schedule of UConn Health's Pension Contributions
Based on contributions for the Fiscal Year Ended June 30,

	SERS ($ in thousands)						
For the year ended June 30	2021	2020	2019	2018	2017	2016	2015
Contractually required employer contribution	$ 99,867	$ 80,994	$ 70,177	$ 52,170	$ 84,860	$ 80,493	$ 72,496
Actual UConn Health contribution	99,867	80,994	70,177	52,170	84,860	80,493	72,496
Contribution deficiency/(excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -
UConn Health's covered payroll	$ 237,938	$ 222,553	$ 175,810	$ 150,434	$ 205,188	$ 200,050	$ 184,762
Actual UConn Health contributions as a percentage of covered payroll	41.97%	36.39%	39.92%	34.68%	41.36%	40.24%	39.24%

NOTES TO REQUIRED SCHEDULES

This schedule is 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 Benefit Terms
2020 – 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 Plan.

Other Factors
2021, 2020, 2019, and 2018 – The discontinuation of CMHC and the transfer of staff to DOC contributed to the decline in the 2018 %. The SERS contractually required employer contribution and covered payroll did not include CMHC as a result of this.

Connecticut Teachers' Retirement System (TRS)

Schedule of UConn Health's Proportionate Share of Collective Net Pension Liability (NPL)
Based on a valuation date lagging one year behind the fiscal year

TRS
($ in thousands)

Fiscal Year Ended June 30	2021	2020	2019	2018	2017	2016	2015
Proportion of collective NPL	0.031%	0.026%	0.026%	0.019%	0.019%	0.0009%	0.0009%
Proportionate share of the collective NPL	$ 5,877	$ 4,469	$ 3,447	$ 2,508	$ 2,646	$ 1,042	$ 963
UConn Health's covered payroll	$ 1,263	$ 1,138	$ 1,103	$ 834	$ 762	$ 573	$ 384
Proportionate share of the collective NPL as a percentage of covered payroll	465.32%	392.71%	312.51%	300.72%	347.24%	181.85%	250.78%
Plan fiduciary net position as a percentage of the total pension liability	49.24%	52.00%	57.69%	55.93%	52.26%	59.50%	61.56%

Schedule of UConn Health's Pension Contributions
Based on contributions for the Fiscal Year Ended June 30,

TRS
($ in thousands)

For the year ended June 30	2021	2020	2019	2018	2017	2016	2015
Contractually required employer contribution	$ 491	$ 397	$ 448	$ 280	$ 239	$ 181	$ 93
Actual UConn Health contribution	491	397	448	280	239	237	201
Contribution deficiency/(excess)	$ -	$ -	$ -	$ -	$ -	$ (56)	$ (108)
UConn Health's covered payroll	$ 1,429	$ 1,263	$ 1,138	$ 1,103	$ 834	$ 762	$ 573
Actual UConn Health contributions as a percentage of covered payroll	34.36%	31.43%	39.37%	25.39%	28.66%	31.10%	35.08%

NOTES TO REQUIRED SCHEDULES

This schedule is 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 Benefit Terms

2020 – Beginning July 1, 2019, annual interest credited on mandatory contributions is set at 4 percent. 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 commnecement, the difference is paid to the member's beneficiary.

2019 – Beginning January 1, 2018, TRS member contributions increased from 6.0% to 7.0% of salary.
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.

Changes in Assumptions

2021 - Decrease in the annual reate of real wage increase assumption from .75% to .50%; decrease in the payroll growth assumption from 3.25% to 3.0%.
2020 – Reduction in the inflation assumption from 2.75% to 2.50%. Reduction to the real reate of return assumption from 5.25% to 4.40% which, when combined with the inflation assumption change results in a decrease in the investment rate of return assumption from 8.00% to 6.90%. Increase the annual rate of wage increase assumption from .50% to .75%. Phase in to a level amortization method for the June 30, 2024 valuation.

State Employee Other Post-Employment Benefits (OPEB) Plan

SCHEDULE OF UCONN HEALTH'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY

Based on a valuation date lagging one year behind the fiscal year

	2021	2020	2019	2018
		($ in Thousands)		
UConn Health's proportion of the net OPEB liability	7.59%	7.31%	6.00%	6.96%
UConn Health's proportion of the net OPEB liability	$ 1,786,265	$ 1,511,626	$ 1,036,300	$ 1,208,427
UConn Health's covered payroll	$ 405,433	$ 375,680	$ 366,593	$ 424,734
UConn Health's proportion share of the net OPEB liability as a percentage of its covered payroll	440.58%	402.37%	282.68%	284.51%
Plan fiduciary net position as a percentage of the total OPEB liability	6.13%	5.47%	4.69%	3.03%

SCHEDULE OF UCONN HEALTH'S OPEB CONTRIBUTION

Based on contribution for the Fiscal Year Ended June 30,

	2021	2020	2019	2018
		($ in Thousands)		
Contractually required contribution	$ 66,784	$ 65,804	$ 55,031	$ 48,134
Contributions in relation to the contractually required contribution	$ 66,784	$ 65,804	$ 55,031	$ 48,134
Contribution deficiency (excess)	--	--	--	--
UConn Health's covered payroll	$ 425,047	$ 405,433	$ 375,680	$ 366,593
Contributions as a percentage of covered payroll	15.71%	16.23%	14.65%	13.13%

NOTES TO REQUIRED SCHEDULES

This schedule is 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.

2021, 2020, 2019 and 2018 – The OPEB contractually required employer contribution and covered payroll did not include CMHC.

Changes of Assumptions

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

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

2018 and 2020 - The salary scale and mortality rates 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.

OTHER SUPPLEMENTARY INFORMATION

UCONN HEALTH
CONSOLIDATING STATEMENT OF NET POSITION
As of June 30, 2021

		Primary Institution		John Dempsey Hospital		Eliminations		Total
ASSETS								
Current Assets								
Cash and cash equivalents (Note 2)	$	143,568,960	$	48,572,719	$	-	$	192,141,679
Patient receivables, net		12,136,442		49,120,166		-		61,256,608
Contract and other receivables		18,908,094		3,802,573		-		22,710,667
Due from Affiliates (Note 12)		2,979,136		-		-		2,979,136
Due from State of Connecticut		7,743,786		6,842,171		-		14,585,957
Due from Primary Institution		-		9,515,844		(9,515,844)		-
Due from Department of Correction		21,298		-		-		21,298
Inventories		3,819,467		15,066,359		-		18,885,826
Prepaid expenses		5,914,141		1,223,674		-		7,137,815
Total current assets		195,091,324		134,143,506		(9,515,844)		319,718,986
Noncurrent Assets								
Restricted cash and cash equivalents (Note 2)		493,972		-		-		493,972
Deposits with vendors		2,054,135		9,112,315		-		11,166,450
Other assets		365,843		117,543		-		483,386
Due from State of Connecticut		464,693		-		-		464,693
Capital and intangible assets, net (Note 9)		543,757,234		328,303,827		-		872,061,061
Total noncurrent assets		547,135,877		337,533,685		-		884,669,562
Total assets	$	742,227,201	$	471,677,191	$	(9,515,844)	$	1,204,388,548
Deferred Outflows of Resources Pension		278,298,773		148,183,467		-		426,482,240
Deferred Outflows of Resources OPEB		388,518,962		195,025,424		-		583,544,386
LIABILITIES								
Current Liabilities								
Accounts payable and accrued liabilities	$	32,930,687	$	20,194,042	$	-	$	53,124,729
Due to State of Connecticut		14,225,896		8,983,684		-		23,209,580
Accrued salaries		22,907,372		11,735,345		-		34,642,717
Compensated absences - current portion (Note 10)		12,894,275		7,496,104		-		20,390,379
Due to John Dempsey Hospital		9,515,844		-		(9,515,844)		-
Due to third party payors		(5,230,443)		61,622,763		-		56,392,320
Due to Affiliates - current portion (Note 14)		3,364,187		-		-		3,364,187
Unearned revenue		726,529		4,419		-		730,948
Malpractice reserve (Note 10)		2,218,000		-		-		2,218,000
Long-term debt - current portion (Note 10)		7,625,510		764,476		-		8,389,986
Total current liabilities		101,177,857		110,800,833		(9,515,844)		202,462,846
Noncurrent Liabilities								
Malpractice reserve (Note 10)		39,451,800		-		-		39,451,800
Compensated absences - net of current portion (Note 10)		18,655,211		10,845,233		-		29,500,444
Due to Affiliates - net of current portion (Note 14)		1,000,000		-		-		1,000,000
Pension liability (Note 11)		760,350,153		434,230,079		-		1,194,580,232
OPEB liability (Note 11)		1,157,590,710		628,674,479		-		1,786,265,189
Long-term debt - net of current portion (Note 10)		171,707,241		1,561,672		-		173,268,913
Total noncurrent liabilities		2,148,755,115		1,075,311,463		-		3,224,066,578
Total liabilities	$	2,249,932,972	$	1,186,112,296	$	(9,515,844)	$	3,426,529,424
Deferred Inflows of Resources Pension	$	161,213,513	$	83,298	$	-	$	161,296,811
Deferred Inflows of Resources OPEB	$	139,115,456	$	26,719,717	$	-	$	165,835,173
NET POSITION								
Net investment in capital assets	$	364,424,483	$	325,977,679	$	-	$	690,402,162
Restricted for								
Nonexpendable								
Scholarships		61,451		-		-		61,451
Expendable								
Research		1,106,638		-		-		1,106,638
Loans		243,649		-		-		243,649
Capital projects		3,443,829		-		-		3,443,829
Unrestricted		(1,510,497,055)		(724,006,908)		-		(2,234,503,963)
Total net position	$	(1,141,217,005)	$	(398,029,229)	$	-	$	(1,539,246,234)

UCONN HEALTH
CONSOLIDATING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
For the Year Ended June 30, 2021

	Primary Institution	John Dempsey Hospital	Total (Memo Only)	Eliminations	Consolidated
OPERATING REVENUES					
Student tuition and fees, net	$ 23,474,837	$ -	$ 23,474,837	$ -	$ 23,474,837
Patient services, net	172,339,269	456,560,089	628,899,358	-	628,899,358
Federal grants and contracts	68,185,125	-	68,185,125	-	68,185,125
Nonfederal grants and contracts	24,977,125	-	24,977,125	-	24,977,125
Contract and other operating revenues	133,579,805	71,877,122	205,456,927	(50,038,312)	155,418,615
Total operating revenues	422,556,161	528,437,211	950,993,372	(50,038,312)	900,955,060
OPERATING EXPENSES					
Educational and General					
Instruction	205,454,445	-	205,454,445	(26,544,684)	178,909,761
Research	57,554,262	-	57,554,262	-	57,554,262
Patient services	298,153,720	688,202,101	986,355,821	(19,820,440)	966,535,381
Academic support	24,986,382	-	24,986,382	-	24,986,382
Institutional support	162,510,327	-	162,510,327	(3,455,279)	159,055,048
Operations and maintenance of plant	27,103,603	-	27,103,603	(217,909)	26,885,694
Depreciation and amortization (Note 9)	46,405,997	23,969,073	70,375,070	-	70,375,070
Student aid	38,735	-	38,735	-	38,735
Total operating expenses	822,207,471	712,171,174	1,534,378,645	(50,038,312)	1,484,340,333
Operating loss	(399,651,310)	(183,733,963)	(583,385,273)	-	(583,385,273)
NONOPERATING REVENUES (EXPENSES)					
State appropriations (Note 14)	330,871,924	-	330,871,924	-	330,871,924
Gifts	3,795,155	(299,587)	3,495,568	-	3,495,568
COVID-19 relief revenue (Note 16)	3,148,519	12,450,000	15,598,519	-	15,598,519
Hospital transfer	(20,137,056)	20,137,056	-	-	-
Loss on Disposal	(129,958)	(66,043)	(196,001)	-	(196,001)
Investment income, net	31,048	-	31,048	-	31,048
Interest on capital asset - related debt	(8,912,855)	(115,227)	(9,028,082)	-	(9,028,082)
Net nonoperating revenues	308,666,777	32,106,199	340,772,976	-	340,772,976
Loss before other revenues, expenses, gains or losses	(90,984,533)	(151,627,764)	(242,612,297)	-	(242,612,297)
OTHER CHANGES IN NET POSITION					
Transfer from Affiliate (Note 14)	2,000,000	-	2,000,000	-	2,000,000
Capital appropriations (Note 12)	679,684	-	679,684	-	679,684
Net other changes in net position	2,679,684	-	2,679,684	-	2,679,684
Decrease in net position	(88,304,849)	(151,627,764)	(239,932,613)	-	(239,932,613)
NET POSITION					
Net position-beginning of year	(1,052,912,156)	(246,401,465)	(1,299,313,621)	-	(1,299,313,621)
Net position-end of year	$ (1,141,217,005)	$ (398,029,229)	$ (1,539,246,234)	$ -	$ (1,539,246,234)

STATISTICAL SECTION

SCHEDULE OF REVENUES BY SOURCE

	For the Year Ended June 30, (amounts in thousands)									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Revenues:										
Student tuition and fees (net of scholarship allowances)	$ 23,475	$ 21,636	$ 20,655	$ 18,613	$ 17,499	$ 15,728	$ 16,557	$ 15,794	$ 13,812	$ 13,746
Patient services	628,899	513,608	534,494	580,697	539,777	532,876	512,960	450,315	432,032	429,546
Federal grants and contracts	68,185	58,055	58,196	50,748	58,148	59,529	57,920	62,527	60,651	56,904
Nonfederal grants and contracts	24,977	27,872	30,016	29,337	29,009	27,116	24,407	23,803	27,593	27,690
Contract and other operating revenues	155,419	162,725	159,745	127,188	114,284	108,017	109,324	106,771	102,574	93,730
Total operating revenues	900,955	783,896	803,106	806,583	758,717	743,266	721,168	659,210	636,662	621,616
State appropriations	330,872	296,520	250,846	279,513	278,211	289,287	280,645	266,139	213,371	202,997
Transfer from/(to) State and outside programs	-	-	-	-	-	-	-	-	-	1,312
Gifts	3,496	6,950	6,146	5,706	4,079	6,865	7,175	7,300	7,658	7,435
Coronavirus Relief Funding	15,598	22,518	-	-	-	-	-	-	-	-
Investment income (net of investment expense)	31	600	1,385	654	104	141	176	93	124	101
Net nonoperating revenues	349,997	326,588	258,377	285,873	282,394	296,293	287,996	273,532	221,153	211,845
Total Revenues	**$ 1,250,952**	**$ 1,110,484**	**$ 1,061,483**	**$ 1,092,456**	**$ 1,041,111**	**$ 1,039,559**	**$ 1,009,164**	**$ 932,742**	**$ 857,815**	**$ 833,461**

	For the Year Ended June 30, (percent of total revenues)									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Revenues:										
Student tuition and fees (net of scholarship allowances)	2.0%	2.0%	2.0%	1.7%	1.7%	1.5%	1.6%	1.7%	1.6%	1.7%
Patient services	50.3%	46.3%	50.4%	53.2%	51.8%	51.3%	50.8%	48.3%	50.3%	51.6%
Federal grants and contracts	5.5%	5.2%	5.5%	4.6%	5.6%	5.7%	5.8%	6.7%	7.1%	6.8%
Nonfederal grants and contracts	2.0%	2.5%	2.8%	2.7%	2.8%	2.6%	2.4%	2.6%	3.2%	3.3%
Contract and other operating revenues	12.4%	14.7%	15.0%	11.6%	11.0%	10.4%	10.9%	11.4%	12.0%	11.2%
Total operating revenues	72.2%	70.7%	75.7%	73.8%	72.9%	71.5%	71.5%	70.7%	74.2%	74.6%
State appropriations	26.3%	26.6%	23.6%	25.6%	26.7%	27.8%	27.8%	28.5%	24.9%	24.3%
Transfer from/(to) State and outside programs	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.2%
Gifts	0.3%	0.6%	0.6%	0.5%	0.4%	0.7%	0.7%	0.8%	0.9%	0.9%
Coronavirus Relief Funding	1.2%	2.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Investment income (net of investment expense)	0.0%	0.1%	0.1%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Net nonoperating revenues	27.8%	29.3%	24.3%	26.2%	27.1%	28.5%	28.5%	29.3%	25.8%	25.4%
Total Revenues	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**

SCHEDULE OF EXPENSES BY FUNCTION

	For the Year Ended June 30, (amounts in thousands)									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Expenses:										
Instruction	$ 178,910	$ 170,526	$ 157,396	$ 179,948	$ 169,130	$ 168,299	$ 163,703	$ 152,618	$ 141,182	$ 129,217
Research	57,554	55,173	52,832	56,102	59,400	58,233	56,961	59,518	60,918	63,080
Patient services	966,535	846,526	663,701	747,637	713,342	648,071	607,435	581,558	522,825	506,720
Academic support	24,986	20,087	15,173	19,322	19,186	18,070	22,458	20,824	20,011	20,200
Institutional support	159,055	89,592	126,922	112,126	82,233	80,638	83,260	66,416	53,114	53,059
Operations and maintenance of plant	26,886	25,112	37,659	38,223	37,295	38,714	35,363	31,548	33,606	28,031
Depreciation and amortization	70,375	72,893	72,575	52,637	52,046	41,469	37,830	32,780	32,365	30,875
Student aid	39	25	71	364	194	84	32	50	136	165
Total operating expenses	1,484,340	1,279,934	1,126,329	1,206,359	1,132,826	1,053,578	1,007,042	945,312	864,157	831,347
Transfer to State and outside programs	-	-	1,991	-	-	-	-	-	-	-
Interest on capital asset - related debt	9,028	9,354	9,619	9,909	10,214	10,487	3,820	1,007	1,072	1,095
Total nonoperating expenses	9,028	9,354	11,610	9,909	10,214	10,487	3,820	1,007	1,072	1,095
Total Expenses	**$ 1,493,368**	**$ 1,289,288**	**$ 1,137,939**	**$ 1,216,268**	**$ 1,143,040**	**$ 1,064,065**	**$ 1,010,862**	**$ 946,319**	**$ 865,229**	**$ 832,442**

Notes to required schedules

In Fiscal Year 2020, Uconn Health began a home office allocation. This change impacted how expenditures were classified between programs. Please refer to Note 1 in the financial statements for additional details.

	For the Year Ended June 30, (percent of total expenses)									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Expenses:										
Instruction	12.0%	13.2%	13.8%	14.8%	14.8%	15.8%	16.2%	16.1%	16.4%	15.5%
Research	3.9%	4.3%	4.6%	4.6%	5.2%	5.5%	5.7%	6.3%	7.0%	7.6%
Patient services	64.7%	65.7%	58.3%	61.5%	62.4%	60.9%	60.1%	61.5%	60.5%	60.9%
Academic support	1.7%	1.6%	1.3%	1.6%	1.7%	1.7%	2.2%	2.2%	2.3%	2.4%
Institutional support	10.7%	6.9%	11.2%	9.2%	7.2%	7.6%	8.2%	7.0%	6.1%	6.4%
Operations and maintenance of plant	1.7%	1.9%	3.4%	3.2%	3.3%	3.6%	3.5%	3.3%	3.9%	3.4%
Depreciation and amortization	4.7%	5.7%	6.4%	4.3%	4.5%	3.9%	3.7%	3.5%	3.7%	3.7%
Student aid	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total operating expenses	99.4%	99.3%	99.0%	99.2%	99.1%	99.0%	99.6%	99.9%	99.9%	99.9%
Transfer to State and outside programs	0.0%	0.0%	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Interest expense	0.6%	0.7%	0.8%	0.8%	0.9%	1.0%	0.4%	0.1%	0.1%	0.1%
Total nonoperating expenses	0.6%	0.7%	1.0%	0.8%	0.9%	1.0%	0.4%	0.1%	0.1%	0.1%
Total Expenses	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**

SCHEDULE OF EXPENSES BY NATURAL CLASSIFICATION

For the Year Ended June 30,
(amounts in thousands)

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Expenses:										
Salaries and wages	$ 465,759	$ 443,132	$ 418,558	$ 438,122	$ 444,948	$ 452,363	$ 430,988	$ 418,305	$ 403,159	$ 391,890
Fringe benefits	509,160	396,019	254,030	369,185	331,533	264,911	239,288	223,850	180,323	128,613
Supplies and other expenses	430,852	353,870	368,279	333,986	291,166	282,218	286,170	258,778	237,013	266,778
Utilities	8,194	14,020	12,887	12,429	13,133	12,617	12,766	11,599	11,297	13,191
Depreciation and amortization	70,375	72,893	72,575	52,637	52,046	41,469	37,830	32,780	32,365	30,875
Total operating expenses	1,484,340	1,279,934	1,126,329	1,206,359	1,132,826	1,053,578	1,007,042	945,312	864,157	831,347
Transfer to State and outside programs	-	-	1,991	-	-	-	-	-	-	-
Interest on capital asset - related debt	9,028	9,354	9,619	9,909	10,214	10,487	3,820	1,007	1,072	1,095
Total nonoperating expenses	9,028	9,354	11,610	9,909	10,214	10,487	3,820	1,007	1,072	1,095
Total Expenses	**$ 1,493,368**	**$ 1,289,288**	**$ 1,137,939**	**$ 1,216,268**	**$ 1,143,040**	**$ 1,064,065**	**$ 1,010,862**	**$ 946,319**	**$ 865,229**	**$ 832,442**

For the Year Ended June 30,
(percent of total expenses)

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Expenses:										
Salaries and wages	31.2%	34.4%	36.8%	36.0%	38.9%	42.5%	42.6%	44.2%	46.6%	47.1%
Fringe benefits	34.1%	30.7%	22.3%	30.4%	29.0%	24.9%	23.7%	23.7%	20.8%	15.5%
Supplies and other expenses	28.9%	27.4%	32.4%	27.5%	25.5%	26.5%	28.3%	27.3%	27.4%	32.0%
Utilities	0.5%	1.1%	1.1%	1.0%	1.1%	1.2%	1.3%	1.2%	1.3%	1.6%
Depreciation and amortization	4.7%	5.7%	6.4%	4.3%	4.6%	3.9%	3.7%	3.5%	3.8%	3.7%
Total operating expenses	99.4%	99.3%	99.0%	99.2%	99.1%	99.0%	99.6%	99.9%	99.9%	99.9%
Transfer to State and outside programs	0.0%	0.0%	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Interest on capital asset - related debt	0.6%	0.7%	0.8%	0.8%	0.9%	1.0%	0.4%	0.1%	0.1%	0.1%
Total nonoperating expenses	0.6%	0.7%	1.0%	0.8%	0.9%	1.0%	0.4%	0.1%	0.1%	0.1%
Total Expenses	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**

SCHEDULE OF NET POSITION AND CHANGES IN NET POSITION

For the Year Ended June 30,
(amounts in thousands)

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Total revenues (from Schedule of revenues by source)	$ 1,250,952	$ 1,110,484	$ 1,061,483	$ 1,092,456	$ 1,041,111	$ 1,039,559	$ 1,009,164	$ 932,742	$ 857,815	$ 833,461
Total expenses (from schedule of expenses by natural classification and function)	1,493,368	1,289,288	1,137,939	1,216,268	1,143,040	1,064,065	1,010,862	946,319	865,229	832,442
Loss before other changes in net position	(242,416)	(178,804)	(76,456)	(123,812)	(101,929)	(24,506)	(1,698)	(13,577)	(7,414)	1,019
Transfer from affiliate	2,000	-	-	-	-	-	-	-	-	-
Capital appropriations	680	-	13,000	88,806	43,479	175,000	159,810	193,214	5,000	62,500
Loss on disposal	(196)	(332)	(1,898)	(3,092)	(989)	(695)	(3,902)	(573)	(2,978)	(7)
Net other changes in net position	2,484	(332)	11,102	85,714	42,490	174,305	155,908	192,641	2,022	62,493
Total changes in net position	(239,932)	(179,136)	(65,354)	(38,098)	(59,439)	149,799	154,210	179,064	(5,392)	63,512
Net position-beginning of year (as previously stated)	(1,299,314)	(1,120,178)	(1,014,953)	126,332	185,771	35,972	576,794	397,730	403,122	339,610
Cumulative effect of implementing GASB 68 and 71	-	-	-	-	-	-	(695,032)	-	-	-
Cumulative effect of implementing GASB 75	-	-	-	(1,103,187)	-	-	-	-	-	-
Cumulative effect of accounting changes and error corrections	-	-	(39,871)							
Net position-beginning of year as restated	-	(1,120,178)	(1,054,824)	(976,855)	185,771	35,972	(118,238)	397,730	403,122	339,610
Net position, ending	**$ (1,539,246)**	**$ (1,299,314)**	**$ (1,120,178)**	**$ (1,014,953)**	**$ 126,332**	**$ 185,771**	**$ 35,972**	**$ 576,794**	**$ 397,730**	**$ 403,122**
Net investment in capital assets	$ 690,402	$ 731,730	$ 784,280	$ 867,913	$ 823,325	$ 734,480	$ 579,241	$ 405,672	$ 335,015	$ 301,969
Restricted for										
Nonexpendable										
Scholarships	61	61	61	61	61	61	61	61	61	61
Expendable										
Research	1,107	1,792	1,588	(127)	(8)	(876)	(139)	547	1,982	3,436
Loans	244	283	589	523	31	953	1,348	104	794	1,081
Capital projects	3,444	4,363	7,881	37,660	37,061	117,466	104,082	152,707	30,829	51,287
Unrestricted	(2,234,504)	(2,037,543)	(1,914,577)	(1,920,983)	(734,138)	(666,313)	(648,621)	17,703	29,049	45,288
Total net position	**$ (1,539,246)**	**$ (1,299,314)**	**$ (1,120,178)**	**$ (1,014,953)**	**$ 126,332**	**$ 185,771**	**$ 35,972**	**$ 576,794**	**$ 397,730**	**$ 403,122**

SCHEDULE OF LONG-TERM DEBT

For the Year Ended June 30,
(amounts in thousands)

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Bonds Payable	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Loans Payable	-	-	-	-	-	-	-	-	-	415
Capital Leases	3,099	4,289	3,275	1,701	2,187	-	-	-	-	472
Mortgage Agreement	178,560	185,664	192,412	198,823	204,914	210,700	216,198	168,024	62,889	17,281
Total long-term debt	**$ 181,659**	**$ 189,953**	**$ 195,687**	**$ 200,524**	**$ 207,101**	**$ 210,700**	**$ 216,198**	**$ 168,024**	**$ 62,889**	**$ 18,168**

FACULTY AND STAFF

For the Year Ended June 30,

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
BARGAINING UNIT										
Faculty	579.2	566.7	565.6	539.6	529.4	517.6	507.8	512.8	508.0	505.7
University Health Professionals	2,681.0	2,630.0	2,558.9	2,526.6	2,477.0	2,462.8	2,420.4	2,457.9	2,440.1	2,375.1
All Other	728.2	747.1	730.7	1,299.0	1,356.0	1,404.6	1,422.1	1,437.9	1,436.9	1,430.8
Total FTE's	3,988.5	3,943.9	3,855.2	4,365.2	4,362.4	4,385.0	4,350.3	4,408.6	4,385.0	4,311.6
EXEMPT										
Faculty	60.0	54.9	54.3	55.2	56.2	56.8	60.6	61.5	60.5	60.1
Managerial	139.0	133.0	131.8	139.1	153.9	160.6	159.3	158.3	156.2	151.9
All Other	367.8	350.2	334.9	340.7	335.1	329.3	353.2	392.7	404.1	408.9
Total FTE's	566.8	538.1	521.0	535.0	545.2	546.7	573.1	612.5	620.8	620.9
TOTAL FTE's	4,555.2	4,481.9	4,376.2	4,900.2	4,907.6	4,931.7	4,923.4	5,021.1	5,005.8	4,932.5

Notes to required schedules

The FTE information prior to 2019 includes CMHC

SCHEDULE OF CAPITAL ASSET INFORMATION
DETAIL FOR BUILDINGS ONLY - BY FUNCTION

	For the Fiscal Year Ended June 30,									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Academic										
Net assignable square feet (in thousands)	84	84	84	82	82	74	74	74	74	74
Number of buildings/major areas of Main Building*	2	2	2	2	2	1	1	1	1	1
Research buildings										
Net assignable square feet (in thousands)	478	478	478	456	456	456	435	435	435	442
Number of buildings/major areas of Main Building*	7	7	7	6	6	6	6	6	6	17
Patient care buildings										
Net assignable square feet (in thousands)	873	868	868	885	885	885	662	529	529	529
Number of buildings/major areas of Main Building*	6	6	6	6	6	6	6	8	8	8
Administrative and support buildings										
Net assignable square feet (in thousands)	985	985	985	865	865	873	769	769	698	179
Number of buildings/major areas of Main Building*	11	11	11	11	11	12	11	11	10	9
Total net assignable square feet (in thousands)	2420	2415	2415	2288	2288	2288	1940	1807	1736	1224
Number of buildings/major areas of Main Building*	26	26	26	25	25	25	24	26	25	35

*** Notes to required schedules**

The Main Building at UConn Health has commonly been understood and tracked by major areas assigned separate names and alphanumeric identifiers. These areas are counted as buildings here.

Many buildings have more than one usage. For the purposes of this schedule, the buildings (or areas of the Main Building) are categorized according to their primary use.

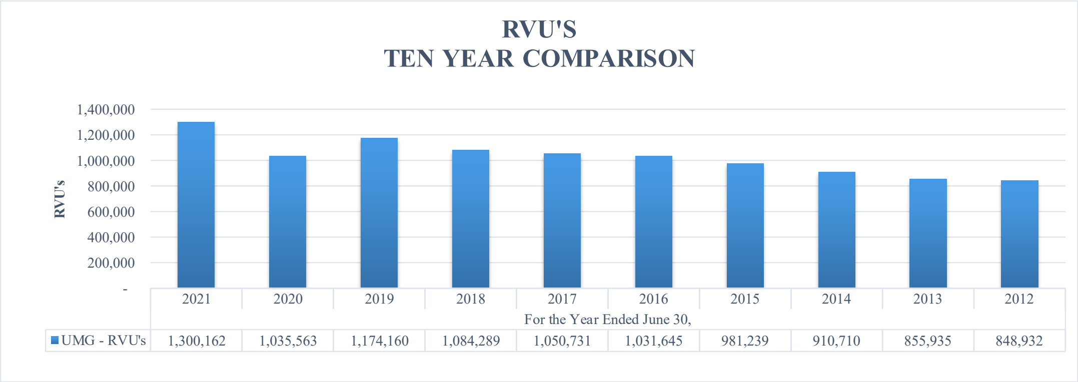
Parking garages are included under administrative and support buildings, and the parking is included in the NASF. Total NASF for G1, G2, and G3 = 818 (in thousands)

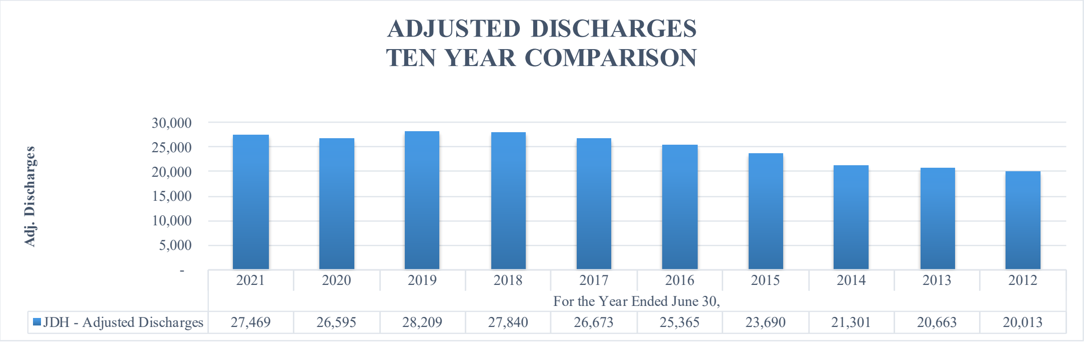
Buildings 9 and 28 were incorporated into Building 8 in 2009. For the purposes of this schedule, they are considered to have always been part of Building 8.

RVU'S AND DISCHARGES

	For the Year Ended June 30,									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
UMG - RVU's	1,300,162	1,035,563	1,174,160	1,084,289	1,050,731	1,031,645	981,239	910,710	855,935	848,932

	For the Year Ended June 30,									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
JDH - Adjusted Discharges	27,469	26,595	28,209	27,840	26,673	25,365	23,690	21,301	20,663	20,013





DEMOGRAPHIC AND ECONOMIC STATISTICS
State of Connecticut
Last Ten Fiscal Years

Year	Personal Income as of June 30 (a)	Population at July 1 (a)	Per Capita Personal Income	Average Annual Unemployment Rate (b)
2021	$ 290,146,700,000	3,544,930	$ 81,848	8.5%
2020	290,641,600,000	3,561,513	81,606	5.1%
2019	284,136,600,000	3,570,160	79,587	3.8%
2018	265,636,709,000	3,588,236	74,030	4.5%
2017	251,389,254,000	3,568,714	70,443	4.8%
2016	252,249,206,000	3,586,640	70,330	5.5%
2015	240,602,679,000	3,591,282	66,996	6.1%
2014	232,600,172,000	3,596,922	64,666	7.1%
2013	222,984,316,000	3,598,628	61,964	8.1%
2012	224,252,008,000	3,593,857	62,399	8.4%

(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

	2021		
Name	**Employees in CT**	**Percentage of Total CT Employment**	**Rank**
Hartford HealthCare	33,000	1.9%	1
Yale New Haven Health Sys	20,474	1.2%	2
United Technologies Corp. UTC	19,000	1.1%	3
Yale University	15,404	0.9%	4
General Dynamics/Electric Boat	12,000	0.7%	5
Sikorsky Air/Lockheed Martin Co.	8,200	0.5%	6
Wal-Mart Stores, Inc.	8,345	0.5%	7
Mohegan Sun Casino	7,400	0.4%	8
The Travelers Cos., Inc.	7,000	0.4%	9
The Hartford	6,600	0.4%	10
Total	137,423	8.0%	

	2012			
Name	**Employees in CT**	**Percentage of Total CT Employment**	**Rank**	
United Technologies Corp. UTC	27,000	1.6%	1	
Hartford HealthCare	16,621	1.0%	2	
Yale University	14,980	0.9%	3	
Stop & Shop Cos., Inc.	13,574	0.8%	4	(1)
Hartford Financial Services	10,300	0.6%	5	
Wal-Mart Stores, Inc.	9,204	0.5%	6	(1)
Yale New Haven Hospital	8,953	0.5%	7	
Foxwoods Resort Casino	8,700	0.5%	8	
General Dynamics/Electric Boat	8,346	0.5%	9	
Mohegan Sun Casino	8,200	0.5%	10	
Total	125,878	7.4%		

Source: Businesses websites
(1) Omitted from the 2012 HBJ survey. The number equals the employees reported by HBJ in 2008

UCONN HEALTH

UNIVERSITY OF CONNECTICUT

APPENDIX B

EXCERPTS FROM THE SPECIAL OBLIGATION INDENTURE OF TRUST

The following are the excerpts of certain provisions of the Special Obligation Indenture of Trust, dated as of January 1, 1997, as amended (the "Special Obligation Indenture") and should not be regarded as full statements of the Special Obligation Indenture. Reference is made to the Special Obligation Indenture in its entirety for a complete statement of the provisions thereof.

AUTHORIZATION AND ISSUANCE OF THE BONDS

Section 201. **Authority for this Special Obligation Indenture**. This Indenture is made and entered into by virtue of and pursuant to the provisions of the Act. The University has ascertained and hereby determines and declares that the execution and delivery of this Special Obligation Indenture is necessary to carry out the powers and duties expressly provided by the Act, that each and every act, matter, thing or course of conduct as to which provision is made herein is necessary or convenient in order to carry out and effectuate the purposes of the University in accordance with the Act and to carry out powers expressly given thereby, and that each and every covenant and agreement herein contained and made is necessary, useful or convenient to carry out and effectuate its purposes under the Act.

Section 202. **Authorization for Issuance of Bonds and Obligations of University**. A. In order to provide sufficient funds for the UConn 2000 Infrastructure Improvement Program and not otherwise available from the sale of general obligation bonds of the University under its General Obligation Master Indenture of Trust, Special Obligation Bonds of the University are hereby authorized to be issued without limitation as to amount except as herein provided or as may be limited by law and such Bonds shall be issued subject to the terms, conditions and limitations established in this Special Obligation Indenture.

B. It is hereby expressly provided that the Bonds, Notes, Swaps, Subordinated Swaps, obligations of the University under a Swap Facility or Bond Facility, Reimbursement Obligations, Swap Payments and Termination Payments or other similar obligations of or payments by the University issued or incurred under and pursuant to this Special Obligation Indenture, shall be special obligations of the University, the Principal and Redemption Price (if any) of, interest on, and other amounts due in respect of which, shall be payable solely from the Trust Estate, and shall not be payable from nor charged upon any funds other than the Trust Estate pledged therefor as provided hereunder pursuant to the Act. The Bonds shall be entitled to the benefit of the continuing pledge of and lien on the Trust Estate created by this Special Obligation Indenture and, with respect to any Additional Bonds, the Supplemental Indenture authorizing the issuance thereof, to secure the full and final payment of the Principal, or Redemption Price, if applicable, thereof and the interest thereon.

C. The Bonds, Notes, Swaps, Subordinated Swaps, obligations of the University under a Swap Facility or Bond Facility, Reimbursement Obligations, Swap Payments and Termination Payments or other similar obligations of or payments by the University issued or incurred under and pursuant to this Special Obligation Indenture shall not constitute a general obligation of the University or a debt or liability of the State, including within the meaning of Section 3-21 of the General Statutes of the State, or any political subdivision thereof or a pledge of the faith and credit of the State, the University or of any other political subdivision of the State but shall be payable solely from the resources of the University described herein as the Trust Estate; the Bonds, Notes, Swaps, Subordinated Swaps, obligations of the University under a Swap Facility or Bond Facility, Reimbursement Obligations, Swap Payments and Termination Payments or other similar obligations of or payments by the University issued or incurred under and pursuant to this Special Obligation Indenture constitute a special obligation of the University payable solely from, and are secured solely by a pledge of, the Trust Estate, including Pledged Revenues and to the extent pledged in the Supplemental Indenture authorizing a particular Series of Bonds, all amounts on deposit in and if necessary certified by the University as necessary to restore the Special Capital Reserve Fund to the Special Capital

Reserve Fund Minimum Requirement and deemed appropriated from the State's general fund and paid to the University.

D. All Bonds shall contain on the face thereof a statement to the effect that:

NEITHER THE STATE OF CONNECTICUT NOR ANY POLITICAL SUBDIVISION THEREOF, OTHER THAN THE UNIVERSITY, SHALL BE OBLIGATED TO PAY THE PRINCIPAL OF OR THE INTEREST ON THE BONDS. THE UNIVERSITY IS OBLIGATED TO PAY THE PRINCIPAL OF AND INTEREST ON THE BONDS SOLELY FROM THE TRUST ESTATE. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OF CONNECTICUT OR OF ANY POLITICAL SUBDIVISION THEREOF, INCLUDING THE UNIVERSITY, IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR INTEREST ON THE BONDS. THE UNIVERSITY HAS NO TAXING POWER.

GENERAL TERMS AND PROVISIONS OF THE BONDS

Section 301. Medium of Payment; Form and Date; Letters and Numbers. A. The Bonds shall be payable, with respect to interest, Principal and Redemption Price, in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts.

B. The Bonds shall be issued in the form of fully registered Bonds without coupons. The Bonds shall be in such form as provided in this Special Obligation Indenture substantially as set forth in Exhibit B with such insertions, omissions and variations as may be deemed necessary or appropriate by an Authorized Officer of the University executing the same and as shall be permitted by the Act, this Special Obligation Indenture and the applicable Supplemental Indenture authorizing such Bonds.

C. Each Bond shall be lettered and numbered as provided in this Special Obligation Indenture or an applicable Supplemental Indenture so as to be distinguished from every other Bond.

D. The date of original issuance of each Bond shall be the date specified in this Special Obligation Indenture or an applicable Supplemental Indenture. Bonds issued in exchange for Bonds of the same Series shall be dated the date of authentication and shall bear interest from the Interest Payment Date next preceding the date of authentication thereof, unless (1) such date of authentication precedes the first Interest Payment Date of such Series, in which case such Bonds shall bear interest from the date of original issuance of such Series, or (2) such date of authentication is an Interest Payment Date, in which case such Bonds shall bear interest from their date of authentication; provided that if, as shown by the records of the Trustee, interest on such Bonds shall be in default, the Bonds issued in lieu of Bonds surrendered for transfer shall bear interest from the date to which interest has been paid in full on the Bonds surrendered.

Section 304. **Exchange, Transfer and Registry of Bonds**. A. All the Bonds issued under this Special Obligation Indenture shall be subject to the provisions for registration and transfer contained in this Special Obligation Indenture and as stated on the Bonds. So long as any of the Bonds shall remain Outstanding, the University shall maintain and keep, at the principal corporate trust office of the Trustee, books for the registration and transfer of Bonds; and, upon presentation thereof for such purpose at said office, the University shall register or cause to be registered therein, and permit to be transferred thereon, under such reasonable regulations as it or the Trustee may prescribe, any Bond. So long as any of the Bonds remain Outstanding, the University shall make all necessary provisions to permit the exchange of Bonds at the principal corporate trust office of the Trustee.

B. The Bonds shall be transferable only upon the books of the University, which shall be kept for the purpose at the principal corporate trust office of the Trustee, by the registered owner thereof in person or by his attorney duly authorized in writing, upon surrender thereof, together with a written instrument of transfer satisfactory to the Trustee duly executed by the registered Owner or his duly authorized attorney.

Upon the transfer of any such registered Bond, the University shall issue in the name of the transferee a new Bond or Bonds of the same aggregate principal amount, tenor and Series and maturity as the surrendered Bond.

C. The registered Owner of any Bond or Bonds of one or more denominations shall have the right to exchange such Bond or Bonds for a new Bond or Bonds of any denomination of the same aggregate principal amount, tenor and Series and maturity of the surrendered Bond or Bonds. Such Bond or Bonds shall be exchanged by the University for a new Bond or Bonds upon the request of the registered owner thereof in person or by his attorney duly authorized in writing, upon surrender of such Bond or Bonds together with a written instrument requesting such exchange satisfactory to the Trustee duly executed by the registered Owner or his duly authorized attorney.

D. The University and each Fiduciary may deem and treat the person in whose name any Bond shall be registered upon the books of the University as the absolute Owner of such Bond, whether such Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the Principal or Redemption Price, if any, of and interest on such Bond and for all other purposes, and all such payments so made to any such registered Owner or upon his order shall be valid and effective to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid, and neither the University nor any Fiduciary shall be affected by any notice to the contrary. The University agrees to indemnify and save each Fiduciary harmless from and against any and all loss, cost, charge, expense, judgment or liability incurred by it, acting in good faith and without negligence under this Special Obligation Indenture, in so treating such registered Owner.

Section 305. **Regulations with Respect to Exchanges and Transfers**. In all cases in which the privilege of exchanging Bonds or transferring Bonds is exercised, the University shall execute and the Trustee shall authenticate and make available for delivery Bonds in accordance with the provisions of this Special Obligation Indenture. All Bonds surrendered in any such exchanges or transfers shall forthwith be cancelled by the Trustee. For every such exchange or transfer of Bonds, whether temporary or definitive, the University or the Trustee may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer, and, except (1) with respect to the delivery of definitive Bonds in exchange for temporary Bonds, (2) in the case of a Bond issued upon the first exchange or transfer of a Bond or Bonds surrendered for such purpose within 60 days after the first authentication and delivery of any of the Bonds of the same Series, or (3) as otherwise provided in this Special Obligation Indenture, may charge a sum sufficient to pay the cost of preparing each new Bond issued upon such exchange or transfer, which sum or sums shall be paid by the person requesting such exchange or transfer as a condition precedent to the exercise of the privilege of making such exchange or transfer. Neither the University nor the Trustee shall be required either to register, transfer or exchange Bonds of any Series for a period of fifteen days next preceding an interest payment on the Bonds of such Series or next preceding any selection of Bonds to be redeemed or thereafter until after the first mailing of any notice of redemption; or to register, transfer or exchange any Bonds called for redemption.

Section 306. **Bonds Mutilated, Destroyed, Stolen or Lost**. In case any Bond shall become mutilated or be destroyed, stolen or lost, the University shall execute, and thereupon the Trustee shall authenticate and make available for delivery, a new Bond of like Series, tenor, maturity and principal amount as the Bond so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Bond, upon surrender and cancellation of such mutilated Bond or in lieu of and substitution for the Bond destroyed, stolen or lost, upon filing with the Trustee of evidence satisfactory to the University and the Trustee that such Bond has been destroyed, stolen or lost and proof of ownership thereof, and upon furnishing the University and the Trustee with indemnity satisfactory to them and complying with such other reasonable regulations as the University and the Trustee may prescribe and paying such expenses as the University and Trustee may incur. All Bonds so surrendered to the Trustee shall be promptly cancelled by it. Any such new Bonds issued pursuant to this Section 306 in substitution for Bonds alleged to be destroyed, stolen or lost shall constitute original additional contractual obligations on the part of the University, whether or not the Bonds so alleged to be destroyed, stolen or lost be at any time enforceable by anyone, and shall be equally secured by and entitled to equal and proportionate benefits with all other Bonds issued under this Special Obligation Indenture, in any moneys or securities held by the University or the Fiduciary for the benefit of the Bondholders.

REDEMPTION OF BONDS

Section 406. **Payment of Redeemed Bonds**. Notice having been given in the manner provided in the Special Obligation Indenture, the Bonds or portions thereof so called for redemption shall become due and payable on the redemption date so designated at the Redemption Price, plus interest accrued and unpaid to the redemption date, and, upon presentation and surrender thereof at the offices specified in such notice, together with a written instrument of transfer duly executed by the registered owner or his duly authorized attorney, such Bonds, or portions thereof, shall be paid at the Redemption Price plus interest accrued and unpaid to the Redemption Date. All interest installments which shall have matured on or prior to the Redemption Date shall continue to be payable to the registered Owner. If there shall be drawn for redemption less than all of a Bond, the University shall execute and the Trustee shall authenticate and deliver, upon the surrender of such Bond, without charge to the Owner thereof, for the unredeemed balance of the principal amount of the Bond so surrendered, at the option of the Owner thereof, Bonds of like Series and maturity in any of the authorized denominations. If, on the Redemption Date, moneys for the redemption of all the Bonds or portions thereof of any like Series and maturity to be redeemed, together with interest to the Redemption Date, shall be held by the Trustee and Paying Agents so as to be available therefor on said date and if notice of redemption shall have been given as aforesaid, then, from and after the Redemption Date, interest on the Bonds or portions thereof of such Series and maturity so called for redemption shall cease to accrue. If said moneys shall not be so available on the redemption date, such Bonds or portions thereof shall continue to bear interest until paid at the same rate as they would have borne had they not been called for redemption and, except with respect to any mandatory redemption, shall not be deemed to be in default hereunder.

THE PLEDGE, FUNDS AND ACCOUNTS

Section 601. **Pledge Effected by Indenture**. The Trust Estate is hereby pledged to secure the payment of the Principal or Redemption Price, if any, and the interest on the Bonds (including the Sinking Fund Installments for the retirement thereof) in accordance with their terms and the provisions of this Special Obligation Indenture permitting the application or release thereof for or to the purposes and on the terms and conditions herein set forth. The pledge made in this Section 601 shall be valid and binding from the date hereof; the revenues, receipts, funds or moneys so pledged and hereafter received by the University shall immediately be subject to the lien of such pledge without any physical delivery thereof or further act and the lien of any pledge made hereunder shall be valid and binding against all parties having claims of any kind in tort, contract or otherwise against the University, irrespective of whether such parties have notice thereof.

Section 602. **Establishment Funds and Accounts Therein**. A. The University hereby establishes and creates the following funds and accounts to be held by the Trustee:

(1) Bond Proceeds Fund

(a) Cost of Issuance Series accounts

(b) Series accounts

(2) Debt Service Fund

(a) Interest Account

(b) Principal Installment Account

(3) Redemption Fund

(4) Rebate Fund

(5) Special Capital Reserve Fund

(6) Renewal and Replacement Fund

(7) Debt Service Reserve Fund

B. Nothing contained in the Act or in this Special Obligation Indenture shall preclude the University from establishing or creating debt service reserve accounts in connection with the issuance of a particular Series of Bonds not secured by the Special Capital Reserve Fund. Any such accounts may be established by a Supplemental Indenture hereto.

C. The University reserves the right and power, subject to this Indenture, to establish additional funds, accounts and subaccounts hereunder. All funds and accounts created under this Indenture, including such additional funds, accounts or subaccounts from time to time established hereunder, shall be held and maintained by the Trustee or the University in accordance with the terms of the Indenture.

Section 603. **Costs of Issuance Account**. A. A separate sub-account within the Costs of Issuance Account designated "UConn 2000 Special Obligation Bonds Costs of Issuance Sub-account" may be established for the Bonds of each Series Outstanding.

B. There shall be deposited in the applicable sub-account of the Costs of Issuance Account from time to time the amount of moneys necessary to pay the Costs of Issuance of each Series of Bonds from either:

(1) the proceeds of the Bonds of such Series as specified and determined in any Supplemental Indenture authorizing the issuance of such Series,

(2) moneys from time to time received by the University from any other source and determined by the University to be deposited therein, unless required to be otherwise applied as provided by this Special Obligation Indenture, or

(3) moneys deposited therein from the Pledged Account.

Such proceeds and moneys shall be used to pay only the Costs of Issuance of the Series of Bonds for which such proceeds and moneys were deposited. The Costs of Issuance of any Series of Bonds shall be paid only from the same Series Sub-account of the Costs of Issuance Account.

C. An Authorized Officer of the University shall from time to time pay out, or permit the withdrawal of, moneys in the Costs of Issuance Account, free and clear of any lien or pledge created by this Article VI, for the purpose of paying any Costs of Issuance.

D. Upon payment of all Costs of Issuance of a Series of Bonds for which a separate sub-account has been established in the Costs of Issuance account, an Authorized Officer of the University shall transfer any moneys remaining in said sub-account to the same Series Sub-account of the Bond Proceeds Fund or, subject to compliance with Section 912 hereof, to other Costs of Issuance accounts hereunder or to the University on account of payment of Costs of Issuance.

E. Upon the deposit of the proceeds of the Bonds of a Series or other moneys in the manner hereinabove prescribed in the Costs of Issuance account, an Authorized Officer of the University shall, invest and reinvest in Investment Obligations the moneys in said account and shall sell at the best price obtainable, or present for redemption, any obligations purchased by it as an investment whenever it shall be necessary in order to provide moneys to meet any payment from the Costs of Issuance Account.

Section 604. **Bond Proceeds Accounts**. A. Within the Bond Proceeds Fund a separate sub-account designated "UConn 2000 Special Obligation Bond Proceeds Sub-account" may be established for the Bonds of each Series Outstanding.

B. Except as provided in Section 610 hereof, there shall be deposited into the applicable Series Sub-account of the Bond Proceeds Fund, only the amount of the proceeds of the Bonds of any Series required to be deposited therein as shall be specified and determined by the Supplemental Indenture authorizing such Series of Bonds, in accordance with and subject to the provisions of Article V hereof.

C. Moneys in the Bond Proceeds Fund shall be expended only for a UConn 2000 Project subject to the provisions and restrictions of this Section 604 of this Special Obligation Indenture.

D. Except as may be limited by the purposes for which a Series is issued as set forth in the Supplemental Indenture authorizing such Series, amounts in the Bond Proceeds Fund shall be expended and applied by the University from time to time only to payments:

(1) for the financing of a UConn 2000 Project, including reimbursement to the University on account of expenditures of the University prior to the receipt of proceeds of Bonds or Notes hereunder,

(2) of Principal, Redemption Price, if any, and interest when due (whether at the maturity of Principal or the due date of interest or upon redemption) on any Notes issued in anticipation of Bonds hereunder,

(3) to the State on account of moneys paid or advanced by the State, other than through operation of the Special Capital Reserve Fund, to the University and used by the University for a UConn 2000 Project being financed by Bonds issued hereunder, including for purposes permitted under Section 13 of the Act, or

(4) to the extent that other moneys are not available, of Principal Installments of and interest on Bonds when due.

E. Upon the deposit of the proceeds of the Bonds of a Series or other moneys in the manner hereinabove prescribed in the Bond Proceeds Fund, an Authorized Officer of the University shall furnish the Trustee with a schedule of dates on which it is estimated by the University that such moneys in said account will be required to be expended. The University may from time to time amend the schedule so furnished. Upon receipt of such schedule or amended schedule, an Authorized Officer of the University shall, or cause the Trustee to, invest and reinvest in Investment Obligations the moneys in said account so that the maturity date or date of redemption at the option of the Holder of such obligations shall coincide as nearly as practicable with the times at which moneys are needed by the University to be so expended. The obligations purchased shall be held by the Trustee and shall be deemed at all times to be part of the Bond Proceeds Fund and the Trustee shall keep the University advised as to the details of all such investments. The Trustee shall sell at the best price obtainable, or present for redemption, any obligations purchased by it as an investment whenever it shall be necessary in order to provide moneys to meet any payment from the Bond Proceeds Fund. Any interest earned or gains realized by the investment of such moneys shall be considered and treated as Pledged Revenues.

F. The University is further authorized and directed to order each disbursement from the Bond Proceeds Fund upon a certification filed with Trustee, signed by an Authorized Officer of the University. Such certification shall (i) state the requisition number, (ii) specify the Project and sub-account and the nature of each item or category of cost and certify the same to be correct and proper under this Section and that such item or category of cost has been properly paid or incurred as a cost of the Project and, pursuant to Section 912 hereof, is consistent with the covenant of the University respecting tax exempt obligations and any Tax Regulatory Agreement with respect thereto, (iii) certify that none of the items or categories for which the certification is made has formed the basis for any disbursement theretofore made from the Bond Proceeds sub-account (iv) certify that the payee and amount stated with respect to each item in the certification are correct and that such item is due and owing, and (v) specify the name and address of the person to whom payment is due or has been made.

G. At any time, the University, by delivery to the Trustee of an Authorized Officer's Certificate, is permitted and may direct the Trustee to transfer any moneys:

(1) to the Redemption Fund, and/or

(2) to another Sub-account of the Bond Proceeds Fund.

H. The University covenants that promptly after determination by the University that a UConn 2000 Project financed in whole or in part with proceeds of bonds issued hereunder has been completed or discontinued it will deliver to the Trustee a certificate signed by an Authorized Officer authorizing a transfer as provided for in Subsection G of this Section.

Section 605. **Flow of Pledged Revenues**. A. The University shall cause all moneys received as Swap Receipts to be deposited promptly in the Interest Account and unless otherwise specified in any Supplemental Indenture, received as Termination Receipts to be deposited promptly in the Redemption Fund.

B. At least fifteen (15) days prior to any Interest Payment Date or Principal Installment Date and with respect to the Pledged Revenues, an Authorized Officer of the University shall transfer, remit or pay and direct the Trustee to deposit or credit the following accounts and funds, but as to each such account and fund, only within the limitations hereinbelow indicated with respect thereto and only after maximum payment within each limitation into each such account or fund previously mentioned in the following tabulation:

FIRST -- Into the Interest Account the amount necessary to increase the amount in such account so that it equals the Interest Requirement on the Outstanding Bonds becoming due on such Interest Payment Date.

-- Into the Principal Installment Account, the amount necessary to increase the amount in such account so that it equals the Principal Installments coming due or payable on such Principal Installment Date.

SECOND -- Into the Special Capital Reserve Fund and into the Debt Service Reserve Fund, as applicable, pro rata between and within such Funds as to the Principal amount of Bonds then Outstanding, the amount, if any, necessary to increase the amount in the applicable Fund so that it equals the Special Capital Reserve Fund Maximum Requirement or the Debt Service Reserve Fund Requirement as the case may be.

THIRD -- Into the Renewal and Replacement Fund, the amount of the Renewal and Replacement Fund Requirement for each and every Project financed with the proceeds of Outstanding Bonds.

FOURTH -- Into the Redemption Fund, the amount, if any, set forth in a Certificate of an Authorized Officer of the University pursuant to Section 607 hereof.

PROVIDED THAT, with respect to the deposits required pursuant to Subsection B of this Section 605, the fact that the University shall not have received sufficient Pledged Revenues with which to make the deposits or credits each month as prescribed above to meet any of the requirements thereof shall not, by the fact itself, be construed as an "Event of Default" under Section 1201 hereof and, FURTHER PROVIDED, that if subsequent to any Interest Payment Date or Principal Installment Date, the Special Capital Reserve Fund or the Debt Service Reserve Fund, as the case may be, is below its Special Capital Reserve Fund Maximum Requirement or the Debt Service Reserve Fund Requirement, as the case may be, an Authorized Officer of the University shall cause the first Pledged Revenues thereafter received to be deposited therein in an amount necessary to increase the amount in such Fund so that it equals the Special Capital Reserve Fund Maximum Requirement or the Debt Service Reserve Fund Requirement, as the case may be.

Section 606. **Debt Service Fund**. A. The Trustee shall pay out of the Interest Account to the respective Paying Agents for any Bonds (1) on or before each Interest Payment Date, the amounts required for the payment of interest on Outstanding Bonds and Swap Payments due on such date, and (2) on or before the Redemption Date or date of purchase, the amounts required for the payment of accrued interest on Bonds redeemed or purchased for retirement, unless the payment of such accrued interest shall be otherwise provided for, and in each such case, such amounts shall be applied by such Paying Agents to such payments.

B. The Trustee shall pay out of the Principal Installment Account to the respective Paying Agents on the Principal Installment Date the amounts required for the payment of Principal due on Outstanding Bonds on such date and such amounts shall be applied by the Paying Agents to such payments.

C. The amount accumulated, if any, in the Principal Installment Account for each Sinking Fund Installment may, and if so directed by the University shall, be applied (together with amounts accumulated in the Interest Account with respect to interest on Bonds for which such Sinking Fund Installment was established) by the Trustee prior to the forty-fifth day preceding the due date of such Sinking Fund Installment as follows:

(1) to the purchase of Bonds of the maturity for which such Sinking Fund Installment was established, at prices (including any brokerage and other charges) not exceeding the Redemption Price for such Bonds when such Bonds are redeemable by application of such Sinking Fund Installment plus unpaid Interest accrued to the date of purchase, such purchases to be made in such manner as the Trustee shall determine; or

(2) to the redemption, pursuant to Article IV, of such Bonds then redeemable by their terms at the Redemption Price referred to in Subsection (1) of this Subsection C.

D. Upon the purchase or redemption of any Bond pursuant to Subsection C of this Section 606, an amount equal to the principal amount of the Bond so purchased or redeemed shall be credited toward the next Sinking Fund Installment thereafter to become due and the amount of any excess of the amounts so credited over the amount of such Sinking Fund Installment shall be credited as directed by an Authorized Officer of the University, or in the absence of such direction, against future Sinking Fund Installments in direct chronological order. The portion of any Sinking Fund Installment remaining after the crediting thereto of any such amounts and of any amounts to be credited thereto as provided in subsection G of this Section 606 (or the original amount of any such Sinking Fund Installment if no such amounts shall have been credited toward the same) shall constitute the unsatisfied balance of such Sinking Fund Installment for the purpose of calculating Sinking Fund Installment due on a future date.

E. As soon as practicable after the forty-fifth day preceding the due date of any such Sinking Fund Installment, the Trustee shall proceed to call for redemption pursuant to Section 403 of this Special Obligation Indenture, on such due date, Bonds of the maturity for which such Sinking Fund Installment was established in such amount as shall be necessary to complete the retirement of the principal amount specified for such Sinking Fund Installment of the Bonds of such maturity. The Trustee shall so call such Bonds for redemption whether or not it then has moneys in the Principal Installment Account sufficient to pay the applicable Redemption Price thereof on the redemption date. The Trustee shall pay out of such Principal Installment Account to the appropriate Paying Agents on or before each such redemption date the amount required for the redemption of the Bonds so called for redemption, and such amount shall be applied by such Paying Agents to such redemption.

F. The University may, from time to time, by written instructions direct the Trustee to make purchases under Subsection C of this Section 606 only upon receipt of tenders after published notice. The University may specify the length of notice to be given and the dates on which tenders are to be accepted or may authorize the Trustee to determine the same in its discretion. All such tenders shall be sealed proposals and no tenders shall be considered or accepted at any price exceeding the price specified hereunder for the purchase of Bonds. The Trustee shall accept bids with the lowest price and if the moneys available for purchase pursuant to such tenders are not sufficient to permit acceptance of all tenders and there shall be tenders at any equal price above the amount of moneys available for purchase, then the Trustee shall select by lot, in such manner as the Trustee shall determine in its discretion, the Bonds tendered which shall be purchased. No purchase of Bonds, either on tenders or otherwise, shall be made by the Trustee within the period of forty-five days next preceding any date on which such Bonds are subject to redemption.

G. If at any time Bonds of any Series or maturity for which Sinking Fund Installments shall have been established are purchased or redeemed other than pursuant to this Article VI, the University may from time to time and at any time by written notice to the Trustee, specify the portion, if any, of such Bonds so purchased or redeemed and not previously applied as a credit against any Sinking Fund Installment which are to be credited against future Sinking Fund Installments. Such notice shall specify the amounts of such Bonds to be applied as a credit against such Sinking Fund Installment or Installments and the particular Sinking Fund Installment or Installments against which such Bonds are to be applied as a credit; provided, however, that none of such Bonds may be applied as a credit against a Sinking Fund Installment to become due less than 60 days after such notice is delivered to the Trustee. All such Bonds to be applied as a credit shall be surrendered to the Trustee for cancellation on or prior to the due date of the Sinking Fund Installment against which they are being applied as a credit. The portion of any such Sinking Fund Installment remaining after the deduction of any such amounts credited toward the same (or the original amount of any such Sinking Fund Installment if no such amounts shall have been credited toward the same) shall constitute the unsatisfied balance of such Sinking Fund Installments for the purpose of calculation of Sinking Fund Installments due on a future date.

Section 607. **Redemption Fund**. There shall be deposited into the Redemption Fund, the amount of Bond proceeds required to be deposited therein pursuant to Section 604 hereof; there may also be deposited into the Redemption Fund, Pledged Revenues including Termination Receipts in the amount determined by the University pursuant to Section 605 hereof. Amounts in the Redemption Fund may be applied as directed by the University in a certificate of an Authorized Officer of the University filed with the Trustee to the purchase of Bonds at prices not exceeding the Redemption Price thereof applicable on the next redemption date plus accrued interest to such next redemption date (such redemption date shall be the earliest date upon which Bonds are subject to redemption from such amounts) or to the redemption of Bonds pursuant to Article IV hereof and, with respect to any such redemption or purchase, to the payment, if necessary, of amounts under a Swap to effectuate a reduction in the Notional Amount thereof equivalent to the principal amount of the Bonds so redeemed or purchased.

Upon any purchase or redemption of Bonds of any Series and maturity for which Sinking Fund Installments shall have been established other than by application of Sinking Fund Installments, an amount equal to the applicable Redemption Prices thereof (as specified below) shall be credited toward a part of all or any one or more of such Sinking Fund Installments, as directed by an Authorized Officer, or, failing such direction by June 30 of each year, toward such Sinking Fund Installment in inverse order of their due dates. Such applicable Redemption Prices shall be the respective Redemption Prices which would be applicable upon the redemption of such Bonds from the respective Sinking Fund Installments on the due dates thereof. The portion of any such Sinking Fund Installment remaining after the deduction of any such amounts credited toward the same (or the original amount of any such Sinking Fund Installment if no such amounts shall have been credited toward the same) shall constitute the unsatisfied balance of such Sinking Fund Installment for the purpose of the calculation of Sinking Fund Installments due on a future date.

Section 608. **Rebate Fund**. With respect to a Series of Bonds sold under this Special Obligation Indenture or any Supplemental Indenture hereto issued as federally tax-exempt bonds, an Authorized Officer of the University shall deposit to the Rebate Fund any moneys (i) held by it under any funds or accounts pursuant to this Special Obligation Indenture, (ii) held by it other than pursuant to this Special Obligation Indenture and legally available for deposit in the Rebate Fund, (iii) delivered to it by any qualified person for deposit in the Rebate Fund, or (iv) transferred or paid to it by the University in accordance with the provisions of this Section for deposit therein. An Authorized Officer of the University shall make such deposit to the Rebate Fund at such times and in such amounts as shall be set forth in a written determination by an Authorized Officer of the University to be necessary to comply with the Code with respect to such Series of Bonds. The University shall transfer at such times such amounts from the Renewal and Replacement Funds and other legally available funds of the University as Authorized Officer of the University shall determine to be necessary to comply with the Code with the respect to such Series of Bonds.

Moneys on deposit in the Rebate Fund shall be applied by an Authorized Officer of the University to pay Rebate Amounts to the Department of the Treasury of the United States of America at such times as may be set forth in the Federal Tax Documents or the Treasurer shall determine to be required by the Code to be rebated to the Department of the Treasury of the United States of America. At any time and from time to time, moneys which the Authorized Officer of the University determines to be in excess of the amount required to be so rebated shall be deposited to any fund or account held pursuant to this Special Obligation Indenture, including the Bond Proceeds Fund, in accordance with the directions of such Authorized Officer.

Section 609. **Release and Restriction on Pledged Revenues**. a) Subject to providing for the deposits or payments pursuant to Section 605 or otherwise under this Indenture and providing for the payment of Special Obligation Debt Service Expense Requirements, the Pledged Revenues may be expended by the University free and clear of the pledge of and lien created thereon by this Indenture pursuant to the Act.

Pursuant to the Act, at such time as any Pledged Revenues are not required for other corporate purposes of the University, and in any event, on the date one year after the Bonds secured by the Special Capital Reserve Fund, together with interest on such Bonds, with interest on any unpaid installments of interest and all costs and expenses in connection with any action or proceeding by or on behalf of the Holders thereof, are fully met and discharged, such moneys shall be paid to the State as repayment of amounts, if any, theretofore advanced by the State for deposit in the Special Capital Reserve Fund.

Section 612. **Renewal and Replacement Fund**.

A. The University shall provide from time to time for deposit of amounts into the Renewal and Replacement Fund (which Fund may be combined with other similar renewal and replacement funds of the University including that established under the UConn General Obligation Master Indenture and under the loan agreement with U.S. Department of Education referred to in Section 907 hereof) so that the amounts therein equals the Renewal and Replacement Fund Requirement.

B. The University is hereby authorized to apply the amounts in the Renewal and Replacement Fund to the payment or reimbursement of the extraordinary expenses incurred for the rebuilding, replacement, relocating, repair and restoration of any UConn 2000 Project financed by the University under this Indenture and other facilities forming part of the physical university plant so to permit the University to operate and maintain the physical university plant in sound operating condition.

Whenever the moneys in the Debt Service Fund are insufficient to pay the interest, principal and Sinking Fund Installments due or to become due in the next seven (7) days on Bonds, the University may transfer from the Renewal and Replacement Fund to the Trustee for deposit in the Debt Service Fund the amount necessary to make up such deficiency.

C. The University is further authorized and directed to order each disbursement from the Renewal and Replacement Fund upon a certification filed with Trustee, signed by an Authorized Officer of the University. Such certification shall (i) state the requisition number, (ii) specify the project or other facilities financed with such disbursement and the nature of each item or category of cost and certify the same to be correct and proper under this Section and that such item or category of cost has been properly paid or incurred as a cost of the project or other facilities, (iii) if the money in the Renewal and Replacement Fund is proceeds of a tax exempt obligation, then, pursuant to Section 912 hereof, such disbursement is consistent with the covenant of the University respecting tax exempt obligations and any Tax Regulatory Agreement with respect thereto, (iv) certify that none of the items or categories for which the certification is made has formed the basis for any disbursement theretofore made from the Bond Proceeds Fund (v) certify that the payee and amount stated with respect to each item in the certification are correct and that such item is due and owing, and (vi) specify the name and address of the person to whom payment is due or has been made.

INVESTMENT OF FUNDS

Section 701. **Investment of Funds and Accounts**. A. Except as otherwise set forth in Section 1401 hereof, the Trustee shall, upon direction of the University in writing signed by an Authorized Officer, deposit moneys or cause moneys to be deposited from any fund or account held by the Trustee, in Investment Obligations, provided, that each such Investment Obligation shall permit the moneys so placed to be available for use at the times provided with respect to the investment or reinvestment of such moneys.

B. Except as otherwise provided for in this Special Obligation Indenture:

Obligations purchased as an investment of moneys in any fund or account held by the Trustee under the provisions of this Special Obligation Indenture shall be deemed at all times to be a part of such fund or account and the income or interest earned, gains realized or losses suffered by a fund or account due to the investment thereof shall be retained in, credited or charged, as the case may be, to such fund or account, provided, however, with respect to all funds or accounts other than as particularly provided for in Section 610 with respect to the Special Capital Reserve Fund and except during any period in which an "Event of Default" within the meaning of Section 1201 hereof is continuing, any income or interest earned or gains realized by a fund or account due to the investment thereof shall be deposited in or credited to the Interest Account or Principal Account of the Debt Service Fund as directed by an Authorized Officer.

C. Except as otherwise provided in this Special Obligation Indenture, the Trustee shall sell at the best price obtainable, or present for redemption or exchange, any obligation purchased by it as an investment pursuant to this Special Obligation Indenture whenever it shall be necessary in order to provide moneys to meet any payment or transfer from the fund or account for which such investment was made. The Trustee shall advise the University in writing, on or before the twentieth day of each calendar month, of the details of all investments held for the credit of each fund and account in its custody under the provisions of this Special Obligation Indenture as of the end of the preceding month.

D. The Trustee and University shall not permit the deposit of any moneys with any Depository, other than the Trustee, in an amount exceeding fifteen per centum (15%) of the amount which an officer of such Depository shall certify to the Trustee and University as the combined capital and surplus of such Bond Depository.

CONCERNING THE TRUSTEE

Section 808. **Resignation of Trustee**. The Trustee may at any time resign and be discharged of the duties and obligations created by this Special Obligation Indenture by giving not less than sixty (60) days' written notice to the University and Bondholders, specifying the date when such resignation shall take effect, by U.S. Mail return receipt requested. Such resignation shall take effect upon the date specified in such notice unless previously a successor shall have been appointed, as provided in Section 810 hereof, in which event such resignation shall take effect immediately on the appointment of such successor; provided that no resignation shall take effect until a successor Trustee shall have been appointed and shall have accepted such appointment.

Section 809. **Removal of Trustee**. Subject to the provisions of any Supplemental Indenture granting rights to the provider of any Bond Facility or otherwise:

A. During any period in which no Event of Default shall have occurred or be continuing, the Trustee may be removed for any reason, with or without cause (1) by the University, by written instrument delivered to the Trustee, or (2) by the Holders of at least 25% of the Outstanding Bonds, by written instrument or concurrent instruments in writing signed and acknowledged by such Holders or by their attorneys-in-fact and delivered to the University and the Trustee.

B. During any period in which any Event of Default shall have occurred or be continuing, the Trustee may be removed (1) by the University, with cause, by written instrument delivered to the Trustee, or (2) by the Holders of at least 25% of the Outstanding Bonds, with cause, by written instrument or concurrent written instruments signed and acknowledged by such Holders or by their attorneys-in-fact and delivered to the University and the Trustee. Notwithstanding the foregoing, Holders of at least 25% of the Outstanding Bonds may cancel or overturn any removal of the Trustee undertaken by the University pursuant to this Subsection B by written instrument or concurrent written instruments signed and acknowledged by such Holders or their attorneys-in-fact and delivered to the University and the Trustee prior to the date of removal of the Trustee. The Trustee may also be removed at any time for any breach of trust or for acting or proceeding in violation of, or for failing to act or proceed in accordance with, any provision of this Special Obligation Indenture with respect to the duties and obligations of the Trustee by any court of competent jurisdiction upon the application of the University or of the Holders of not less than ten percent of the Outstanding Bonds.

C. The removal of the Trustee will not relieve the Trustee of liability for (1) any action or omission to act in breach of its fiduciary duties hereunder that occurred prior to the date of removal, or (2) acting or proceeding in violation of, or failing to act or proceed in accordance with, any provision of this Special Obligation Indenture with respect to the duties and obligations of the Trustee that occurred prior to the date of removal.

Section 810. **Appointment of Successor Trustee**. Subject to the provisions of any Supplemental Indenture granting rights to the provided of any Bond Facility or otherwise:

A. In case at any time the Trustee shall resign or shall be removed or shall become incapable of acting, or shall be adjudged a bankrupt or insolvent, or if a receiver, liquidator or conservator of the Trustee, or of its property, shall be appointed, or if any public officer shall take charge or control of the Trustee, or of its property or affairs, the University covenants and agrees that it will thereupon appoint a successor Trustee. If in the reasonable judgment of the University any such event referred to in the preceding sentence is likely to occur, the University, in its sole discretion and without the request of Holders of Bonds as required in Section 809 hereof, may remove the Trustee and the University covenants and agrees that it will thereupon appoint a successor Trustee. The University shall notify the Bondholders of any such appointment made by it within ninety (90) days after such appointment.

B. If in a proper case no appointment of a successor Trustee shall be made pursuant to the foregoing provisions of this Section 810 within forty-five (45) days after the Trustee shall have given to the University written notice, as provided in Section 808 hereof, or after a vacancy in the office of the Trustee shall have occurred by reason of its inability to act, the Trustee or the Holder of any Bond may apply to any court of competent jurisdiction to appoint a successor Trustee. Said court may thereupon, after such notice, if any, as such court may deem proper and prescribe, appoint a successor Trustee.

C. Any Trustee appointed under the provisions of this Section 810 in succession to the Trustee shall be a bank or trust company having its principal corporate trust office in the State, and having a capital and surplus aggregating at least One Hundred Million Dollars ($100,000,000) if there be such a bank or trust company or national banking association willing and able to accept the office on reasonable and customary terms and authorized by law to perform all the duties imposed upon it by this Special Obligation Indenture.

PARTICULAR COVENANTS

Section 901. **Payment of Bonds**. The University shall duly and punctually pay or cause to be paid, the Principal or Redemption Price, if any, of every Bond and the interest thereon, at the dates and places and in the manner provided in the Bonds, according to the true intent and meaning thereof, and shall duly and punctually pay or cause to be paid all Sinking Fund Installments, if any, becoming payable with respect to any Series of Bonds.

Section 903. **Coverage Covenant**.

"Net Revenue Amount" for the purpose of this section and Section 910 only constitutes that amount of Pledged Revenues with respect to the (i) Residential Life Room Fee, (ii) Board Dining Fee, (iii) the Parking and Transportation Fee, (iv) the Student Apartment Rentals and (v) the Greek Housing Fee after providing for or paying the reasonable or necessary cost of currently maintaining, repairing, insuring and operating the facilities for which such fees, respectively, are imposed and each which individual amount as a result thereof may be a plus or minus.

"Gross Revenue Amount" for the purpose of this section and Section 910 only constitutes that amount of Pledged Revenues with respect to the (i) Infrastructure Maintenance Fee and (ii) the General University Fee, (iii) the Student Recreational Center Fee and (iv) the Athletic Stadia FIT Fee prior to any payments, deductions, offsets or provisions, respectively and (v) those Pledged Revenues described in paragraph (2) of the definition thereof.

(A) The University will establish, fix, and revise from time to time, prior to and during each Fiscal Year and collect in each Fiscal Year, fees representing Pledged Revenues so that the aggregate sum of each Net Revenue Amount plus each Gross Revenue Amount is equal to no less than the sum of:

(1) an amount equal to 1.25 times the Debt Service Requirements in such Fiscal Year, and

(2) together with any amounts on hand and available therefor, an amount equal to the amounts of the Debt Service Expense Requirement in such Fiscal Year not covered in (1) hereof.

Section 907. **Power to Issue Bonds and Make Pledges**. The University is duly authorized pursuant to law to create and issue the Bonds and to adopt this Special Obligation Indenture and to pledge its Pledged Revenues, or other receipts, funds and moneys purported to be pledged by this Special Obligation Indenture in the manner and to the extent provided in this Special Obligation Indenture. The Pledged Revenues, or other receipts, funds and moneys so pledged are and will be free and clear of any pledge, lien, charge or encumbrance thereon or with respect thereto, except with respect to certain of the Pledged Revenues for a certain loan from the United States of America, acting by and through the Secretary of the Department of Education (herein and in the loan agreement and mortgage documentation called "ED") executed on April 26, 1994 in the outstanding amount, as of November 1, 1996, of $1,958,560.94, as the interest of ED may be appear and be valid, binding upon and enforceable against the University, prior to, or except with respect to the Pledged Revenues for certain outstanding general obligation bonds of the State categorized by the State as self liquidating from certain of the Pledged Revenues of the University, of equal rank with, the pledge created by this Special Obligation Indenture, and all corporate action on the part of the University to that end has been duly and validly taken. Pledged Revenues once deposited in and moneys on deposit in the Debt Service Fund, the Debt Service Reserve Fund and Special Capital Reserve Fund are pledged to the Bonds and shall be applied as provided herein and under no circumstances shall be considered as available for the payment of State general obligation bonds referred to herein notwithstanding the parity of Pledged Revenues provisions permitted hereunder. The Bonds and the provisions of this Special Obligation Indenture are and will be the valid and legally enforceable special obligations of the University in accordance with their terms and the terms of this Special Obligation Indenture. The University shall at all times, to the extent permitted by law, defend, preserve and protect the pledge of the revenues, or other receipts, funds and moneys pledged under this Special Obligation Indenture and all the rights of the Bondholders under this Special Obligation Indenture against all claims and demands of all persons whomsoever including defending, preserving and protecting such pledges as statutory liens as set forth in Section 8 of the Act.

Section 908. **Indebtedness and Liens**. A. After the date hereof the University (i) shall not issue any securities or other evidences of indebtedness secured by a prior pledge of particular revenues, receipts, funds or moneys constituting Pledged Revenues, and (ii) shall not create or cause to be created any lien, pledge, or charge (other than the lien and pledge created or permitted by this Special Obligation Indenture) on the Bond Proceeds Fund, Debt Service Fund, the Redemption Fund, the Debt Service Reserve Fund and the Special Capital Reserve Fund or on other assets of the University. Except as provided in paragraph B or C hereof, the University shall not issue, after the date hereof, any securities or other evidence of indebtedness secured by a parity pledge of the Pledged Revenues, other than Additional Bonds or otherwise permitted with respect to Notes pursuant to the provisions of this Indenture.

B. Nothing in this Special Obligation Indenture shall prevent the University from issuing indebtedness payable out of, or secured by a pledge, assignment or other encumbrances of, the Pledged Revenues to be derived on and after such date as this Special Obligation Indenture shall be discharged and satisfied as provided in Section 1401 of this Special Obligation Indenture.

C. Nothing in this Special Obligation Indenture shall be construed as precluding further pledging, assigning or encumbering on a parity or subordinated basis, the Pledged Revenues, revenues or other receipts, funds and moneys of the University which are applicable and appropriated by the University for payment to the State on account of debt service on general obligation bonds of the State for University purposes outstanding or, authorized by the State Bond Commission or by a bond act.

Section 910. Issuance of Additional Bonds; Execution of Swaps. A. No Additional Series of Bonds may be authorized and issued under this Special Obligation Indenture unless:

(1) In the event of Bonds secured by a Special Capital Reserve Fund, the University shall pay into such Special Capital Reserve Fund (i) any moneys appropriated and made available by the State for the purposes of such Fund, (ii) any proceeds of sale of Bonds, to the extent provided herein or in any Supplemental Indenture authorizing the issuance thereof, and (iii) any other moneys which may be made available to the University for such purpose from any other source or sources so that the amount on deposit in such Special Capital Reserve Fund equals the Special Capital Reserve Fund Maximum Requirement. The moneys held in or credited to any Special Capital Reserve Fund established pursuant to the Act, except as provided herein, shall be used solely for the payment of the Principal of Bonds secured by such Special Capital Reserve Fund as the same become due, the purchase of such Bonds, the payment of interest on such Bonds or the payment of any redemption premium required to be paid when such Bonds are redeemed prior to maturity; provided the University may provide that moneys in any such Fund shall not be withdrawn therefrom at any time in such amount as would reduce the amount of such Fund to less than the Special Capital Reserve Fund Maximum Requirement, except for the purpose of paying such Principal of, redemption premium and interest on such Bonds, secured by such Special Capital Reserve becoming due and for the payment of which other moneys of the University are not available. The University shall not issue any Additional Series of Bonds at any time if the amount of money on deposit in and Investment Obligations credited to the Special Capital Reserve Fund is less that than the Special Capital Reserve Fund Maximum Requirement on Outstanding Bonds and the Additional Series of Bonds then to be issued and secured by such Special Capital Reserve Fund, unless the University, at the time of the issuance of such Additional Bonds, shall deposit in such Special Capital Reserve Fund from the proceeds of the Bonds so to be issued, or otherwise, an amount which, together with the amount then in such Special Capital Reserve Fund, will be not less than the Special Capital Reserve Fund Maximum Requirement;

(2) a certificate signed by an Authorized Officer dated as of the date of authorization of such Series of Bonds shall have been delivered to the Trustee stating (a) that the particular Pledged Revenues estimated to be received as a result of the construction, completion and operation of the Project to be financed with the proceeds of the Additional Series of Bonds, and amounts in funds or accounts or payable thereto as a result of the issuance of such Additional Series of Bonds during the period such Additional Series of Bonds are Outstanding, including Swap Receipts, shall be sufficient to pay as the same become due the estimated, reasonable and necessary Project operating expenses of the University which will be incurred as a result of the issuance of such Additional Series of Bonds and the use of the proceeds thereof and the estimated Principal Installments of, Swap Payments, if any, and interest on such Additional

Bonds; or (b) the Pledged Revenues estimated to be received, and amounts in funds or accounts or payable thereto including Swap Receipts:

(i) shall be sufficient to pay all estimated Principal Installments of, Swap Payments, if any, and the Interest Requirement on Bonds Outstanding and such Additional Series of Bonds, or

(ii) together with other moneys received or estimated to be received by the University from, and available or to be made available to the University for the Project to be financed with the proceeds of the Additional Series of Bonds by the State, the United States or some other source all Principal Installments of and the Interest Requirement on Bonds Outstanding and such Additional Series of Bonds; in the event that a certificate is filed with the Trustee in accordance with this subparagraph (ii), it shall be accompanied by a certificate to evidence that such other moneys are or will be made available to the University for the Project;

The estimates referred to in (i) and (ii) shall be made without the inclusion of any moneys that may be received by the University as a result of a future certification pursuant to Section 7(i) of the Act and Section 909 of this Special Obligation Indenture); and

(3) a certificate signed by an Authorized Officer of the University delivered to the Trustee stating that the sum of Net Revenue Amount and Gross Revenue Amount based on the most recent Audited Financial Statements preceding the date of issuance of such Additional Bonds have been, with respect to the then and any future Fiscal Year, equal to an amount at least 1.25 times the maximum Debt Service Requirement on all Outstanding Bonds plus the expected maximum Debt Service Requirement on the Additional Bonds.

B. No Swap shall be entered into by the University unless, with respect to such Swap, written confirmation affirming the existing ratings on the Bonds is filed thereupon with the Trustee.

Section 911. UConn 2000 Infrastructure Improvement Program. A. The University shall with all practical dispatch and in a sound and economical manner consistent in all respects with the Act and with the provisions of this Special Obligation Indenture, use and apply the proceeds of the Bonds for the UConn 2000 Infrastructure Improvement Program and shall do all such acts and things appropriate or necessary to receive and collect Pledged Revenues.

B. The University covenants that it will promptly proceed with the construction of each UConn 2000 Project financed in whole or in part by the issuance of Bonds in conformity with law and all requirements of the governmental authorities having jurisdiction thereover and that it will complete such construction with all expedition possible.

C. The University covenants that it will at all times maintain, to the extent reasonably obtainable, insurance with respect to each such Project with such variations as shall reasonably be required to conform to applicable standard or customary insurance practice and subject to such exceptions and permissible deductions as are ordinarily required. Any such insurance shall be in the form of policies or contracts for insurance with insurers of good standing, qualified to do business in Connecticut, and shall be payable to the University. The University shall be deemed to be in compliance with this Paragraph C to the extent any Project is covered by the State under a State insurance policy or to the extent the State is a self-insurer on such Project.

Section 912. Tax Exemption. In the event Bonds are sold under this Special Obligation Indenture or any Supplemental Indenture hereto as federally tax-exempt bonds, the University covenants that it will not take any action or fail to take any action that would result in loss of the exclusion from federal income taxation pursuant to Section 103(a) of the Code of interest paid on such Bonds.

Section 913. **No Impairment of Rights of Bondholders**. Except to the extent otherwise provided in this Special Obligation Indenture, the University shall not enter into any contract or take any action by which the rights of the Bondholders may be restricted, precluded or otherwise impaired.

Section 916. **Pledge of State to Bondholders**. Pursuant to the Act, the University, as agent for the State, includes the following pledge and undertaking for the State, in this Special Obligation Indenture and in the Bonds issued hereunder:

> The State covenants with the holders of any securities issued under the Act, in consideration of the acceptance of and payment for the securities, until the securities, together with the interest thereon, with interest on any unpaid installment of interest and all costs and expenses in connection with any action or proceeding on behalf of the owners, are fully met and discharged or unless expressly permitted or otherwise authorized by the terms of each contract and agreement made or entered into by or on behalf of the University with or for the benefit of such owners, that the State: (1) will not create or cause to be created any lien or charge on the assets or revenues pledged to secure such securities, other than a lien or pledge created thereon pursuant to the Act; (2) will not in any way impair the rights, exemptions or remedies of the owners; and (3) will not limit, modify, rescind, repeal or otherwise alter the rights or obligations of the University to take such action as may be necessary to fulfill the terms of the resolution authorizing the issuance of the securities; provided nothing in the Act shall preclude the State from exercising the power, through a change in law, to limit, modify, rescind, repeal or otherwise alter the Act if and when adequate provision shall be made by law for the protection of the holders of outstanding securities, pursuant to the resolution or indenture under which the securities are issued.

SUPPLEMENTAL INDENTURE

Section 1001. **Modification and Amendment Without Consent**. The University may, at any time or from time to time enter into Supplemental Indenture without consent of the Bondholders, the provider of either a Bond Facility, or a Swap Facility or Swap Provider for any one or more of the following purposes:

(1) to provide for the issuance of a Series of Bonds or Notes or Swaps pursuant to the provisions of this Special Obligation Indenture and to prescribe the terms and conditions pursuant to which such Bonds or Notes or Swaps may be issued, paid or redeemed;

(2) to add additional covenants and agreements of the University for the purpose of further securing the payment of the Bonds or Notes or Swaps, provided such additional covenants and agreements are not contrary to or inconsistent with the covenants and agreements of the University contained in this Special Obligation Indenture;

(3) to prescribe further limitations and restrictions upon the issuance of Bonds and the incurring of indebtedness by the University which are not contrary to or inconsistent with the limitations and restrictions thereon theretofore in effect;

(4) to surrender any right, power or privilege reserved to or conferred upon the University by the terms of this Special Obligation Indenture, provided that the surrender of such right, power or privilege is not contrary to or inconsistent with the covenants and agreements of the University contained in this Special Obligation Indenture;

(5) to confirm as further assurance any pledge under this Special Obligation Indenture subject to any lien, claim or pledge created or to be created by the provisions of this Special Obligation Indenture, of the moneys, securities or funds;

(6) to modify any of the provisions of this Special Obligation Indenture or any previously adopted Supplemental Indenture in any other respects, provided that such modifications shall not be effective until after all Bonds of any Series of Bonds Outstanding as of the date of

adoption of such Supplemental Indenture shall cease to be Outstanding, and all Bonds issued under such indenture shall contain a specific reference to the modifications contained in such subsequent indenture;

(7) to cure any ambiguity, or defect or inconsistent provision in this Special Obligation Indenture or to insert such provisions clarifying matters or questions arising under this Special Obligation Indenture as are necessary or desirable in the event any such modifications are not contrary to or inconsistent with this Special Obligation Indenture as theretofore in effect;

(8) consistent with Section 912 hereof, to ensure the exclusion of interest on the Bonds from gross income of the Bondholders for federal income tax purposes;

(9) to grant or to confer upon the Trustee for the benefit of the Bondholders any additional rights, remedies, powers or authority that may lawfully be granted or conferred and which are not contrary to or inconsistent with this Special Obligation Indenture as therefore in effect; or

(10) to grant such rights and remedies and make such other covenants subject to this Special Obligation Indenture (including any prior Supplemental Indenture) as may be necessary for issuance of a Bond Facility, a Swap or a Swap Facility so long as such rights, remedies and covenants are not contrary to or inconsistent with this Special Obligation Indenture as theretofore in effect.

Section 1002. **Amendments and Supplemental Indenture Effective With Consent of Bondholders**. Subject to the provisions of any Supplemental Indenture granting rights to the provider of any Bond Insurer or otherwise, the provisions of this Special Obligation Indenture may also be modified or amended, at any time or from time to time, by any Supplemental Indenture, subject to the consent of Bondholders in accordance with and subject to the provisions of Article XI hereof, to become effective upon the execution thereof by the University and the Trustee, and the filing with the Trustee of a copy thereof certified by an Authorized Officer of the University.

Section 1003. General Provisions Relating to Supplemental Indenture. A. This Indenture shall not be modified or amended in any respect, whether pursuant to Section 204 of this Special Obligation Indenture or otherwise, except in accordance with and subject to the provisions of this Article X and Article XI hereof. Nothing contained in this Article X or in Article XI hereof shall affect or limit the rights or obligations of the University to adopt, make, do, execute or deliver any resolution, act or other instrument pursuant to the provisions of Section 906 of this Special Obligation Indenture or the right or obligation of the University to execute and deliver to the Trustee or any Paying Agent any instrument elsewhere in this Special Obligation Indenture provided or permitted to be delivered to the Trustee or any Paying Agent.

AMENDMENTS OF INDENTURE

Section 1101. **Powers of Amendment.** A. Any modification or amendment of the Special Obligation Indenture and of the rights and obligations of the University and of the Holders of the Bonds thereunder, in any particular, may be made by any Supplemental Indenture with the written consent of the Holders of not less than 66 2/3% in principal amount of the Outstanding Bonds of each Series affected by such amendment or amendments or Supplemental Indenture or Indentures; provided, however, that if such modification or amendment will, by its terms, not take effect so long as any Bonds of any specified like Series and maturity remain Outstanding, the consent of the Holders of such Bonds shall not be required and such Bonds shall not be deemed to be outstanding for the purpose of any calculation of Outstanding Bonds.

B. No such modification or amendment shall permit (1) a change in the terms of redemption or maturity of the Principal of any Outstanding Bond or of any installment of interest thereon or a reduction in the principal amount or the Redemption Price thereof or in the rate of interest thereon or in the terms and conditions of the Special Capital Reserve Fund respecting Bonds supported by such Fund without the consent of the Holder of such Bond, or (2) shall reduce the percentages or otherwise affect the classes of Bonds the consent of the Holders of which is required to effect any such modification or amendment.

Section 1102. **Consent of Bondholders**. A. The University and the Trustee may at any time enter into any Supplemental Indenture making a modification or amendment permitted by the provisions of Section 1101 hereof to take effect when and as provided in this Section 1102. A copy of such Supplemental Indenture (or brief summary thereof or reference thereto in form approved by the Trustee) together with a request to Bondholders for their consent thereto in form satisfactory to the Trustee, shall promptly after adoption be mailed by the University to Bondholders and be published at least once a week for two (2) successive weeks (but failure to mail such copy and request shall not affect the validity of such Supplemental Indenture when consented to as hereinafter in this Section provided).

B. Such Supplemental Indenture shall not be effective unless and until (1) there shall have been filed with the Trustee (a) the written consents of Holders of the percentages of Outstanding Bonds specified in Section 1101 hereof, and (b) a Counsel's Opinion stating that such Supplemental Indenture has been duly and lawfully entered into by the University and the Trustee and filed by the University in accordance with the provisions of this Special Obligation Indenture, is authorized or permitted by this Special Obligation Indenture, and is valid and binding upon the University and enforceable in accordance with its terms, and (2) a notice shall have been published as hereinafter in this Section 1102 provided.

C. Each such consent shall be effective only if accompanied by proof of the holding at the date of such consent, of the Bonds with respect to which such consent is given, which proof shall be such as is permitted by Section 1301 of this Special Obligation Indenture. A certificate or certificates by the Trustee filed with the Trustee that it has examined such proof and that such proof is sufficient in accordance with Section 1301 hereof shall be conclusive that the consents have been given by the Holders of the Bonds described in such certificate or certificates of the Trustee. Any such consent shall be binding upon the Holder of the Bonds giving such consent and, anything in Section 1301 hereof to the contrary notwithstanding, upon any subsequent Holder of such Bonds and of any Bonds issued in exchange therefor (whether or not such subsequent Holder thereof has notice thereof).

D. At any time after the Holders of the required percentages of Bonds shall have filed their consents to such Supplemental Indenture, the Trustee shall make and file with the University and the Trustee a written statement that the Holders of such required percentages of Bonds have filed such consents. Such written statement shall be conclusive that such consents have been so filed.

E. At any time thereafter notice, stating in substance that such Supplemental Indenture (which may be referred to as any Supplemental Indenture entered into by the University and the Trustee on a stated date, a copy of which is on file with the Trustee) has been consented to by the Holders of the required percentages of Bonds and will be effective as provided in this Section 1102, shall be given to Bondholders by the University by mailing such notice to Bondholders not more than ninety (90) days after the Holders of the required percentages of Bonds shall have filed their consents to such Supplemental Indenture and the written statement of the Trustee hereinabove provided for is filed (but failure to mail such notice shall not prevent such Supplemental Indenture from becoming effective and binding as provided in this Section 1102). A transcript, consisting of the papers required or permitted by this Section 1102 to be filed with the Trustee, shall be proof of the matters therein stated. Such Supplemental Indenture making such amendment or modification shall be deemed conclusively binding upon the University, the Trustee, each Paying Agent and the Holders of all Bonds at the expiration of thirty (30) days after the filing with the Trustee of the transcript except in the event of a final decree of a court of competent jurisdiction setting aside such Supplemental Indenture in a legal action or equitable proceeding for such purpose commenced within such thirty (30) day period; provided, however, that the University, the Trustee and any Paying Agent during such thirty (30) day period and any such further period during which any such action or proceeding may be pending shall be entitled in their reasonable discretion to take such action, or to refrain from taking such action, with respect to such Supplemental Indenture as they may deem expedient.

Section 1103. **Modifications by Unanimous Consent**. The terms and provisions of this Special Obligation Indenture and the rights and obligations of the University and of the Holders of the Bonds hereunder may be modified or amended in any respect upon the execution by the University and the Trustee of any Supplemental Indenture and filing with the Trustee by the University of a copy of such Supplemental Indenture certified by an Authorized Officer of the University and the consent of the Holders of all of the Outstanding Bonds, such consent to be given as provided in Section 1102 hereof, except that no notice to Bondholders either by mailing or publication shall be required.

Section 1105. **Exclusion of Bonds**. Bonds owned or held by or for the account of the University shall not be deemed Outstanding for the purpose of consent or other action or any calculation of Outstanding Bonds provided for in this Special Obligation Indenture, and the University shall not be entitled with respect to such Bonds to give any consent or take any other action provided for in this Special Obligation Indenture. At the time of any consent or other action taken under this Special Obligation Indenture, the University shall furnish the Trustee a certificate of an Authorized Officer of the University, upon which the Trustee may rely, describing all Bonds so to be excluded.

EVENTS OF DEFAULT

Section 1201. **Events of Default**. Each of the following events is hereby declared an "Event of Default" if:

(1) the University shall default in the payment of the Principal of or Redemption Price, if any, or interest on any Bond after the same shall become due, whether at maturity or upon call for redemption or otherwise;

(2) With respect to Bonds secured by the Special Capital Reserve Fund, the University shall fail or refuse to comply with the provisions of Section 909 of this Special Obligation Indenture, or such amounts as shall be certified by the Chairman of the Board of Trustees of the University to the Secretary of the Office of Policy and Management and Treasurer of the State pursuant to such provisions of the Act shall not be allotted and paid from the State general fund to the University for deposit therein and such allotment and payment is not made prior to the second day succeeding the final adjournment of (1) the session of the General Assembly of the State convening when such certification shall have been made or, if the General Assembly is not then in session, (2) the first session of the General Assembly of the State convening after such certification shall have been made; or

(3) Except as provided in (1) and (2) above, the University shall fail or refuse to comply with the provisions of this Special Obligation Indenture, or shall default in the performance or observance of any of the covenants, agreements or conditions on its part contained herein or in any Supplemental Indenture or in any Bonds, and such failure, refusal or default shall continue for a period of forty-five (45) days after written notice thereof by the Trustee or the Holders of not less than twenty-five per centum (25%) in principal amount of the Outstanding Bonds.

Section 1202. **Remedies**. Subject to the provisions of any Supplemental Indenture granting rights to the provider of any Bond Facility or otherwise:

A. Upon the happening and continuance of any Event of Default specified in Subsections (1) and (2) of Section 1201 hereof, the Trustee shall proceed or, upon the happening and continuance of any Event of Default specified in Subsection (3) of Section 1201 hereof, the Trustee may proceed and, upon the written request of the Holders of not less than twenty-five per centum (25%) in principal amount of the Outstanding Bonds, or in the Event of Default arising from the failure of the University to duly and punctually perform the covenant contained in Section 912 hereof which results in the interest on the Bonds of the Series to which such covenant applies being no longer excluded from gross income under Section 103(a) of the Code, twenty-five per centum (25%) in principal amount of the Outstanding Bonds of such Series affected thereby, shall proceed, in its own name, subject to the provisions of Section 804 hereof, to protect and enforce the rights of the Bondholders by such of the following remedies, as the Trustee, being advised by counsel, shall deem most effectual to protect and enforce such rights:

(1) by mandamus or other suit, action or proceeding at law or in equity, to enforce all rights of the Bondholders, including the right to require the University to receive and collect revenues, including Pledged Revenues adequate to carry out the covenants and agreements as to, and the pledge of, such Pledged Revenues and to require the University to carry out any other covenants or agreements with Bondholders and to perform its duties under the Act;

(2) by bringing suit upon the Bonds;

(3) by action or suit in equity, to require the University to account as if it were the trustee of any express trust for the Holders of the Bonds; and

(4) by action or suit in equity, to enjoin any acts or things which may be unlawful or in violation of the rights of the Holders of the Bonds.

B. In the enforcement of any rights and remedies under this Special Obligation Indenture, the Trustee shall be entitled to sue for, enforce payment on and receive any and all amounts then or during any default becoming, and at any time remaining, due from the University for Principal, Redemption Price, interest or otherwise, under any provision of this Special Obligation Indenture or any Supplemental Indenture or of the Bonds, and unpaid, with interest on overdue payments at the rate or rates of interest specified in such Bonds, together with any and all costs and expenses of collection and of all proceedings hereunder and under such Bonds, without prejudice to any other right or remedy of the Trustee or of the Bondholders, and to recover and enforce a judgment or decree against the University for any portion of such amounts remaining unpaid, with interest, costs and expenses, and to collect from any moneys available for such purpose, in any manner provided by law, the moneys adjudged or decreed to be payable.

C. All remedies conferred upon or reserved to the Holders of Bonds hereunder may also be conferred upon and reserved to the provider of a related Bond Facility, a Swap Provider or the provider of a Swap Facility authorized by any Supplemental Indenture and may be cumulative as provided in Section 1208 hereof. Nothing herein shall preclude the University from providing in an applicable Supplemental Indenture or in any Bond Facility, any Swap or any related Swap Facility authorized thereby, that the exercise of any remedy hereunder or the waiver of any Event of Default hereunder by the Trustee or the Holder of any such Bond shall be subject to the prior written consent of the provider of any related Bond Facility, any Swap Provider or the provider of a related Swap Facility. Such Supplemental Indenture or related Bond Facility, any Swap Provider or the provider of a related Swap Facility may provide that any and all notices required to be given under this Article XII by the University or the Trustee to the Holder of any Bond shall also be given to the provider of any related Bond Facility, any Swap Provider or the provider of a related Swap Facility.

Section 1203. **Priority of Payments After Default**. A. In the event that the funds held by the Trustee and Paying Agents shall be insufficient for the payment of interest and Principal or Redemption Price then due on the Bonds, such funds (other than funds held for the payment or redemption of particular Bonds which have theretofore become due at maturity or by call for redemption) and any other moneys received or collected by the Trustee acting pursuant to the Act and this Article XII, after making provision for the payment of any expenses necessary in the opinion of the Trustee to protect the interests of the Holders of the Bonds, and for the payment of the charges and expenses and liabilities incurred and advances made by the Trustee or any Paying Agents in the performance of their respective duties under this Special Obligation Indenture, shall be applied as follows:

First -- To the payment to the persons entitled thereto of all installments of interest then due in the order of the maturity of such installments, and, if the amount available shall not be sufficient to pay in full any installment, then to the payment thereof ratably, according to the amounts due on such installment, to the persons entitled thereto, without any discrimination or preference;

Second -- To the payment to the persons entitled thereto of the unpaid Principal or Redemption Price of any Bonds which shall have become due, whether at maturity or by call for redemption, in the order of their due dates and, if the amounts available shall not be sufficient to pay in full all the Bonds due on any date, then to the payment thereof ratably, according to the amounts of Principal or Redemption Price due on such date, to the persons entitled thereto, without any discrimination or preference; and

Third -- To the payment to other persons entitled to payment hereunder or under any applicable Supplemental Indenture.

B. Whenever moneys are to be applied by the Trustee pursuant to the provisions of this Section 1203, such moneys shall be applied by the Trustee at such times, and from time to time, as the Trustee in its sole discretion shall determine, having due regard to the amount of such moneys available for application and the likelihood of additional money becoming available for such application in the future; the deposit of such moneys with the Paying Agents, or otherwise setting aside such moneys in trust for the proper purpose, shall constitute proper application by the Trustee; and the Trustee shall incur no liability whatsoever to the University, to any Bondholder or to any other person for any delay in applying any such moneys, so long as the Trustee acts with reasonable diligence, having due regard for the circumstances, and ultimately applies the same in accordance with such provisions of this Special Obligation Indenture as may be applicable at the time of application by the Trustee. Whenever the Trustee shall exercise such discretion in applying such moneys, it shall fix the date (which shall be an interest payment date unless the Trustee shall deem another date more suitable) upon which such application is to be made and upon such date interest on the amounts of Principal to be paid on such date shall cease to accrue. The Trustee shall give such notice as it may deem appropriate for the fixing of any such date. Unless otherwise required by the book-entry system for the Bonds, the Trustee shall not be required to make payment to the Holder of any unpaid interest or any Bond unless such Bond shall be presented to the Trustee for appropriate endorsement or for cancellation if fully paid.

Section 1204. **Termination of Proceedings**. In case any proceeding undertaken by the Trustee on account of any Event of Default shall have been discontinued or abandoned for any reason, then in every such case the University, the Trustee and the Bondholders shall be restored to their former positions and rights hereunder, respectively, and all rights, remedies, powers and duties of the Trustee shall continue as though no such proceeding had been undertaken.

Section 1205. **Bondholders' Direction of Proceedings**. Anything in this Special Obligation Indenture to the contrary notwithstanding, except for Subsection C of Section 1202, the Holders of the majority in principal amount of the Bonds then Outstanding shall have the right by an instrument or concurrent instruments in writing executed and delivered to the Trustee, to direct the method of conducting all remedial proceedings to be taken by the Trustee hereunder, provided that such direction shall not be otherwise that in accordance with law or the provisions of this Special Obligation Indenture, and that the Trustee shall have the right to decline to follow any such direction which in the opinion of the Trustee would be unjustly prejudicial to Bondholders not parties to such direction.

Section 1206. **Limitation on Rights of Bondholders**. A. No Holder of any Bond shall have any right to institute any suit, action, mandamus or other proceeding in equity or at law hereunder, or for the protection or enforcement of any right under this Special Obligation Indenture or any right under law unless such Holder shall have given to the Trustee written notice of the Event of Default or breach of duty on account of which such suit, action or proceeding is to be taken, and unless the Holders of not less than twenty-five per centum (25%) in principal amount of the Bonds then Outstanding shall have made written request of the Trustee after the right to exercise such powers or right of action, as the case may be, shall have occurred, and shall have afforded the Trustee a reasonable opportunity either to proceed to exercise the powers herein granted or granted under the law or to institute such action, suit or proceeding in its name and unless, also, there shall have been afforded to the Trustee reasonable security and indemnity against the costs, expenses and liabilities to be incurred therein or thereby, and the Trustee shall have refused or neglected, request and offer of indemnity are hereby declared in every such case, at the option of the Trustee, to be conditions precedent to the execution of the powers under this Special Obligation Indenture or for any other remedy hereunder or under law. It is understood and intended that no one or more Holders of the Bonds hereby secured shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the security of this Special Obligation Indenture, or to enforce any right hereunder or under law with respect to the Bonds, except in the manner herein provided, and that all proceedings at law or in equity shall be instituted, had and maintained in the manner herein provided and for the benefit of all Holders of the Outstanding Bonds. Nothing in this Article XII contained shall affect or impair the right of any Bondholder to enforce the payment of the Principal of and interest on his Bonds, or the obligation of the University to pay the Principal of and interest on each Bond issued hereunder to the Holder thereof at the time and place expressed in said Bond.

B. Anything to the contrary notwithstanding contained in this Section 1206, or any other provision of this Special Obligation Indenture, each Holder of any Bond by his acceptance thereof shall be deemed to have agreed that any court in its discretion may require, in any suit for the enforcement of any right or remedy under this Special Obligation Indenture or any Supplemental Indenture, or in any suit against the Trustee for any action taken or omitted by it as Trustee, the filing by any party litigant in such suit of an undertaking to pay the reasonable costs of such suit, and that such court may in its discretion assess reasonable costs, including reasonable attorneys' fees, against any party litigant in any such suit, having due regard to the merits and good faith of the claims or defenses made by such party litigant; but the provisions of this Subsection B shall not apply to any suit instituted by the Trustee, to any suit instituted by any Bondholder, or group of Bondholders, holding at least twenty-five per centum (25%) in principal amount of the Bonds Outstanding, or to any suit instituted by any Bondholder for the enforcement of the payment of the Principal or Redemption Price of or interest on any Bond on or after the respective due date thereof expressed in such Bond.

Section 1210. **Notice of Event of Default**. The Trustee shall give to the Bondholders notice of each Event of Default hereunder known to an officer in the Corporate Trust Administration Department of the Trustee within ninety (90) days after knowledge of the occurrence thereof, unless such Event of Default shall have been remedied or cured before the giving of such notice; provided that, except in the case of default in the payment of the Principal or Redemption Price of or interest on any of the Bonds, or in the making of any payment required to be made into the Debt Service Reserve Fund or the Special Capital Reserve Fund, the Trustee shall be protected in withholding such notice if and so long as the board of directors, the executive committee, or a trust committee of directors or responsible officers of the Trustee in good faith determines that the withholding of such notice is in the interests of the Bondholders. Each such notice of Event of Default shall be given by the Trustee by mailing written notice thereof (1) to all registered Holders of Bonds, as the names and addresses of such Holders appear upon the books for registration and transfer of Bonds except by the Trustee, (2) to such Bondholders as have filed their names and addresses with the Trustee for that purpose, and (3) to such other persons as is required by law.

DEFEASANCE

Section 1401. **Defeasance**. A. If the University shall pay or cause to be paid to the Holders of all Bonds then Outstanding, the Principal and interest and Redemption Price, if any, to become due thereon, at the times and in the manner stipulated therein and in this Special Obligation Indenture, then, at the option of the University, expressed in an instrument in writing signed by an Authorized Officer of the University and delivered to the Trustee, the covenants, agreements and other obligations of the University to the Bondholders shall be discharged and satisfied. In such event, the Trustee shall, upon the request of the University, execute and deliver to the University all such instruments as may be desirable to evidence such discharge and satisfaction and the Fiduciaries shall pay over or deliver to the University all moneys, securities and funds held by them pursuant to this Special Obligation Indenture which are not required for the payment or redemption of Bonds not theretofore surrendered for such payment or redemption.

B. Bonds or interest installments for the payment or redemption of which moneys shall have been set aside and shall be held in trust by the Fiduciaries (through deposit by the University of funds for such payment or redemption or otherwise) at the maturity or Redemption Date thereof shall be deemed to have been paid within the meaning and with effect expressed in Subsection A of this Section 1401. Any Outstanding Bonds of any Series shall, prior to the maturity or Redemption Date thereof, be deemed to have been paid within the meaning and with the effect expressed in Subsection A of this Section 1401 if, (1) in case any of said Bonds are to be redeemed on any date prior to their maturity, the University shall have given to the Trustee in form satisfactory to it irrevocable instructions to give notice of redemption as provided in Article IV of this Special Obligation Indenture on said date of such Bonds, (2) there shall have been deposited with the Trustee either (a) moneys in an amount which shall be sufficient, (b) non-callable direct obligations of the United States of America or non-callable obligations the principal of or interest on which is fully and unconditionally guaranteed by the United States of America as to timely payment of principal or interest, as the case may be, provided that such obligations shall consist of only such amounts so guaranteed, or (c) certificates that evidence ownership of the right to payments of principal or interest on obligations described in clause (b), provided that such obligations shall be held in trust by the Trustee or a bank or trust company or national banking association meeting the requirements for a successor Trustee under Section 810 hereof, the principal of and the interest on which when due will provide moneys which, together with the moneys, if any, deposited with the Trustee, or other bank or trust company, at the same time, shall be sufficient, to pay, when due, the Principal or Redemption Price, if applicable, and interest due and to become due on said Bonds on and prior to the Redemption Date or maturity date thereof, as the case may be, and (3) in the event said Bonds are not by their terms subject to redemption within the next succeeding 60 days, the University shall have given the Trustee in form satisfactory to it irrevocable instructions to notify the Holders of such Bonds, as soon as practicable, that the deposit required by (2) above has been made with the Trustee and that said Bonds are deemed to have been paid in accordance with this Section 1401 and stating such maturity or Redemption Date upon which moneys are to be available for the payment of the Principal or Redemption Price, if applicable, on said Bonds. Non-callable direct obligations of the United States of America or non-callable obligations the principal of or interest on which is fully and unconditionally guaranteed by the United States of America as to timely payment of principal or interest, as the case may be, provided that such obligations shall consist of only such amounts so guaranteed, qualified certificates evidencing ownership of the right to payments of principal or interest on such obligations, moneys deposited with the Trustee pursuant to this Section 1401 and principal or interest payments on any such securities shall be held in trust for the payment of the Principal or Redemption Price, if applicable, and interest on said Bonds; provided that any cash received from such principal or interest payments on such direct obligations of the United States of America deposited with the Trustee, if not then needed for such purpose, shall, to the extent practicable, be reinvested in non-callable direct obligations of the United States of America maturing at times and in amounts sufficient to pay when due the Principal or Redemption Price, if applicable, and interest to become due on said Bonds on and prior to such Redemption Date or maturity date thereof, as the case may be, and interest earned from such reinvestment shall be paid over to the University, as received by the Trustee, free and clear of any trust, lien or pledge.

C. Anything in this Special Obligation Indenture to the contrary notwithstanding, any moneys held by a Fiduciary in trust for the payment and discharge of any of the Bonds which remain unclaimed for three years after the date when such Bonds have become due and payable, either at their stated maturity dates or by call for earlier redemption, if such moneys were held by the Fiduciary at such date, or for three years after the date of deposit of such moneys if deposited with the Fiduciary after the said date when such Bonds become due and payable, shall, at the written request of the University, be repaid by the Fiduciary to the University, as its absolute property and free from trust, and the Fiduciary shall thereupon be released and discharged with respect thereto and the Bondholders shall look only to the University for the payment of such Bonds provided, however, that before being required to make any such payment to the University, the Fiduciary shall deliver to Bondholders a notice that said moneys remain unclaimed and that, after a date named in said notice, which date shall be not less than 30 days after the date of the first publication of such notice, the balance of such moneys then unclaimed will be returned to the University.

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APPENDIX C

DEFINITIONS OF CERTAIN TERMS DEFINED IN THE SPECIAL OBLIGATION INDENTURE

"Act" means Public Act No. 95-230 entitled 'The University of Connecticut 2000 Act', as amended to the date hereof, as amended from time to time pursuant to an Authorized Act Amendment.

"Additional Bonds" means all Bonds, other than the Initial Bonds, issued under the Special Obligation Indenture pursuant to a Supplemental Indenture adopted by the University pursuant to Section 204 and 910 and Refunding Bonds pursuant to Section 205 hereof, but not the Initial Bonds issued pursuant to the First Supplemental Indenture hereto.

"Assured Revenues" means revenues other than Project Revenues, or patient revenues or any other revenues derived from the clinical operation of the University, to be received from fees, tuition, rentals, charges, gifts, investments, endowments and from grants, subsidies, contracts, leases or other agreements made by or with the federal government, the State or any political subdivision, agency or instrumentality of the Federal government or the state, or others, including the State Debt Service Commitment, the Minimum State Operating Provision and Special Eligible Gifts.

"Athletic Stadia FIT Fee" means a surcharge on football tickets, men's ice hockey, men's and women's basketball tickets and on men's and women's soccer tickets for regular season, mini-plan and single-game purchases.

"Audited Financial Statements" means, with respect to the University, the annual financial statements, if any, of the University, audited by such auditor as shall then be required or permitted by State law or the Special Obligation Indenture. Audited Financial Statements shall be prepared in accordance with GAAP; *provided, however,* that the University may from time to time, if required by federal or State legal requirements, modify the basis upon which its financial statements are prepared including Financial Policy Number 2 of State Comptroller respecting Accounting and Financial Reporting Standards for State of Connecticut Constituent Units of Higher Education, as same may be implemented and amended from time to time. Notice of any such modification shall include a reference to the specific federal or State law or regulation describing such accounting basis and shall be provided by the University to the Trustee, who shall promptly deliver such notice to (i) either the MSRB or each NRMSIR, and (ii) the SID, if any.

Audited Financial Statements shall mean, with respect to the State, the Audited Financial Statements submitted or to be submitted by or on behalf of the State pursuant to the State's written continuing disclosure undertaking in compliance with the requirements of paragraph (b)(5) of the Rule.

"Authorized Officer" in the case of the University, the Chairman or Vice-Chairman of the Board of Trustees, the financial committee of the Board of Trustees (acting by resolution and constituting the finance committee of the Board of Trustees within the meaning of the Act), the President, the Provost and Executive Vice President for Academic Affairs, the Executive Vice-President For Administration and Chief Financial Officer, or the Manager of Treasury Services (for the purpose of making disbursements and investments only), the Controller (for the purpose of making disbursements only), or any other person duly authorized by the bylaws or resolution of the University to perform the Act or sign the document in question.

"Board of Trustees" means the board of trustees of the University.

"Bond", **"Bonds"** or **"Special Obligation Bonds"** means the Initial Bonds, together with any Additional Bonds.

"Bond Depository" means a place or institution that holds securities certificates for safekeeping and maintains a record keeping system such that all or a portion of such Bonds held can be sold and transferred without the physical movement of their corresponding certificates.

"Bond Facility" means an insurance policy, surety bond or agreement, standby purchase agreement, line of credit, letter of credit or other credit enhancement, or liquidity facility entered into for the purpose of assuring the timely payment of the Principal and Redemption Price, if any, of and interest on the Bonds.

"Bondholders" or "**Holder of Bonds"** or "**Holder"** or "**Owner"**, when used with reference to Bonds, or any similar term, means any person or party who shall be the registered owner of any Outstanding Bond.

"Bond Proceeds Fund" means such fund of the University established by Section 602 hereof and governed by Section 604 of the Special Obligation Indenture.

"Business Day" shall mean any day other than (1) a Saturday or Sunday, (2) a day on which banking institutions located in the State or in any of the cities in which the principal corporate trust office of the Trustee, or the principal office of any Paying Agent, Surety or remarketing agent is located, are required or are authorized by law or executive order to close, or (3) a day on which the New York Stock Exchange is closed.

"Code" means the Internal Revenue Code of 1986, as amended, and the applicable regulations thereunder.

"Cost", as applied to a project or any portion of the project, includes, but is not limited to: The purchase price or acquisition cost of any such project; the cost of planning, designing, constructing, building, alteration, enlargement, reconstruction, renovation, improvement, equipping and remodeling; the cost of all labor, materials, building systems, machinery and equipment; the cost of all lands, structures, real or personal property, rights, easements and franchises acquired; the cost of all utility extensions, access roads, site development, financing charges, premiums for insurance, interest prior to and during construction and for six months thereafter; the cost of working capital related to the project; the cost of plans and specifications, surveys and estimates of cost and of revenues; the cost of accountants, audits, engineering, feasibility studies, legal and other professional consulting or technical services; the cost of reserves for payment of future debt service related to the financing transaction proceedings and for future repairs, renewals, replacements, additions and improvements; the cost of all other expenses necessary or incident to determining the feasibility or practicability of such construction; and administrative and operating expenses and such other expenses as may be necessary or incident to the financing authorized.

"Costs of Issuance" means all costs related to the proceedings under which Bonds are issued under the Special Obligation Indenture, including but not limited to salaries, administrative expenses, insurance premiums, fees, expenses or other similar charges payable to providers of a Bond Facility or a Swap Facility, including without limitation a Swap Provider, including a Termination Payment, other than Reimbursement Obligations or Swap Payments or other termination payments, auditing and legal expenses and fees and expenses incurred for professional consultants, financial advisors and fiduciaries, fees and expenses of the Trustee, fees for issuing and paying agents, fees and expenses of remarketing agents and dealers, fees and expenses of the underwriters if payable other than as a result of a discount on the purchase price of Bonds or Notes, fees and expenses of rating agencies, transfer or information agents, the publication of advertisements and notices, printers' fees or charges incurred by the University or Treasurer on behalf of the University to comply with applicable federal and State securities or tax laws; and with respect to Bonds the interest on which is excludable from gross income of the recipient under the Code means only the costs of issuance of a Series of Bonds which may be paid with Bond proceeds as shall be consistent with Section 912 of the Special Obligation Indenture.

"Counsel's Opinion" means an opinion signed by an attorney or firm of attorneys selected by or satisfactory to the Treasurer, in consultation with the University (who may be the Attorney General of or other counsel to the University); provided, however, that for the purposes of Article II and Article IX of the Special Obligation Indenture such term shall mean an opinion signed by an attorney or firm of attorneys of recognized standing in the field of law relating to municipal bonds.

"Debt Service Expense Requirements" means for any period, and with respect to the Bonds, subject to the Special Obligation Indenture and any Supplemental Indenture authorizing the issuance of the Bonds, the sum of (A) the Principal Installments, Sinking Fund Installments and Interest Requirement accruing and coming due during such period, (B) the amounts, if any, required, with respect to interest rate fluctuations on variable rate debt, or to establish or maintain reserves, sinking funds or other funds or accounts at the respective levels required to be established or maintained therein in accordance with the Special Obligation Indenture or any Supplemental Indenture authorizing the issuance of Bonds, (C) annual expenses of issuance and administration with respect to the Bonds, (D) the amounts, if any, becoming due and payable under a reimbursement agreement or similar agreement entered into pursuant to authority granted under the proceedings authorizing the issuance of Bonds, (E) net amounts owing under interest rate agreements authorized and effective under section 10 of the Act, (F) arbitrage rebate requirements pursuant to subsection (b) of section 17 of the Act, and (G) any other annual costs or expenses necessary or proper to be paid in connection with the Bonds, including, without limitation, the annual cost of any Bond Facility, issued by a financial institution pursuant to an agreement approved in the Financing Transaction Proceedings.

"Debt Service Fund" means the Principal Installment and Interest accounts established pursuant to Section 602 hereof and governed by Section 606 of the Special Obligation Indenture.

"Debt Service Requirement" means, for any period, the sum of the Principal Installment and Interest Requirement.

"Debt Service Reserve Fund" means the fund established pursuant to the Act and Section 602 of the Special Obligation Indenture and governed by Section 613 of the Special Obligation Indenture.

"Debt Service Reserve Fund Requirement" means, with respect to any Series of Bonds issued under the Indenture (i) after May 1, 2000 and (ii) not supported by the Special Capital Reserve Fund, as of any date of computation and for the period computed, an amount equal to the maximum amount of Principal Installments, including Sinking Fund Installments, and Interest Requirements maturing and becoming due in the Calendar Year in which such computation is made or in any single succeeding Calendar Year on such Series of Outstanding Bonds; provided that for the purposes of determining the maximum amount required to be on deposit and thereafter maintained in the with respect to any Series of Bonds secured by the Debt Service Reserve Fund, the interest on which is excludable from gross income for federal income tax purposes, the Debt Service Reserve Fund Requirement shall (a) at no time exceed the least of (x) the sum of the maximum amount of (i) the Principal Requirement and (ii) the Interest Requirement coming due during the then or any succeeding Calendar Year or (y) 125% of the average annual Principal, Sinking Fund Installment and interest on any such Series of Outstanding Bonds coming due during the then current or any succeeding Calendar Year or (z) ten percent of the proceeds (as such term is used in Section 148(d) of the Code) from the sale of such Series of Bonds or Notes and (b) not be funded with in excess of ten percent (10%) of such proceeds from the sale of such series of Bonds or as otherwise limited by Federal tax law regarding the tax exemption of the Bonds.

"Depository" means any qualified public depository or bank under the laws of the State and which is doing business both in the State and with the Trustee and any Paying Agent when designated in accordance with the Special Obligation Indenture.

"Event of Default" shall have the meaning given to such term in Article XII of the Special Obligation Indenture.

"Fiduciary" or "**Fiduciaries"** means the Trustee, any Paying Agent, any Depository, or any or all of them, as may be appropriate.

"Fiscal Year" means a twelve-month period commencing on the first day of July of any year.

"GAAP" means generally accepted accounting principles as prescribed from time to time for governmental units by the Governmental Accounting Standards Board ("GASB").

"Initial Bonds" means the first Series of Bonds issued under the Special Obligation Indenture pursuant to the Act.

"Interest Account" means such account established by Section 602 of the Special Obligation Indenture and governed by Section 606.

"Interest Payment Date" means each date on which interest is payable on the Special Obligation Bonds or in accordance with a Swap under the Special Obligation Indenture or, if such date is not a Business Day, the immediately succeeding Business Day.

"Interest Requirement" means, as of the date of computation with respect to any period, an amount equivalent to the aggregate maximum amount coming due during such period on any Interest Payment Date, of (1) interest which may be payable on Outstanding Bonds and (2) Swap Payments, provided that interest on Variable Interest Rate Bonds or Notes or Swaps shall be calculated in accordance with the Variable Interest Rate Calculation Rate, and further provided that if the University shall have entered into one or more Swaps (that is not a Subordinated Swap) with respect to a Variable Interest Rate Bond or Note, then the Bonds or Notes of such series in a principal amount equal to the Notional Amount shall be treated for purposes of this definition as bearing interest for such period at the fixed rate payable by the University under such Swap; if the University shall have entered into one or more Swaps (that is not a Subordinated Swap) with respect to a Bond or Note that is not a Variable Interest Rate Bond or Note which calls for a Variable Interest Rate Swap Payment by the University then the Bonds or Notes of such series in a principal amount equal to the Notional Amount shall be treated for purposes of this definition as a Variable Interest Rate Bond or Note bearing interest for such period at the Variable Interest Rate payable by the University under such Swap.

"Investment Obligations" means and includes any of the following:

(1) Direct obligations of or obligations guaranteed by the United States of America;

(2) Direct obligations of the U.S. government, obligations of Federal agencies backed by the full faith and credit of the U.S. government, the Federal National Mortgage Association ("FNMA") and the Federal Home Loan Mortgage Corporation ("FHLMC"), purchased pursuant to repurchase agreements with any primary dealer on the Federal Reserve reporting dealer list and, any bank which is rated "A" or better by Moody's and S&P if rated by both, or is rated "A" by Moody's or S&P if not rated by both (without regard to the addition of a plus (+) or a minus (-) to any rating) , pursuant to a written repurchase agreement, having a term of up to 30 days, which requires (a) that before or simultaneously with the payment for such obligations (i) such obligations shall be delivered to the Trustee (if the Trustee is not supplying the collateral) or to a third party acting as agent for the Trustee or the University (if the Trustee is supplying the collateral) such that the University has a perfected security interest in such obligations by possession and (ii) a legal opinion addressed to the University shall be delivered to the Trustee stating that the repurchase agreement complies with all provisions of State law governing the qualification of repurchase agreements as legal investments for public funds; (b) that such obligations be valued weekly and be marked-to-market, at their current market price, plus accrued interest, such that the value thereof is equal to 102% of the amount of cash transferred by the University to the financial institution under the repurchase agreement (unless such obligations are issued by FNMA or FHLMC, in which case the value must equal 103%), plus accrued interest; and (c) that if the value of obligations held as collateral is below 102% or 103% of the value of the cash transferred by the University as stated above, then additional cash and or acceptable securities must be transferred to the Trustee, the agent for the Trustee or the University, as the case may be so that the aggregate value of the obligations and cash so held is equal to the required percentage stated above;

(3) Any bond, debenture, note, participation or other similar obligation issued by Government National Mortgage Association, Farmers' Home Administration and Export-Import Bank;

(4) Any bond, debenture, note, participation or other similar obligation issued by the Federal National Mortgage Association to the extent such obligations are guaranteed by the Government National Mortgage Association or issued by a Federal Agency backed by the full faith and credit of the United States of America other than as provided in Subsection (1) hereof;

(5) Any other obligation of the United States of America or any Federal agencies which may then be purchased with funds belonging to the State or which are legal investments for savings banks in the State, with the consent of any Bond Insurer;

(6) Public Housing Bonds issued by public housing authorities and fully secured as to the payment of both principal and interest by a pledge of annual contributions under an Annual Contributions Contract or Contracts with the United States of America;

(7) Direct and general obligations of or obligations guaranteed by the State of Connecticut, as to the payment of the principal of and interest on which the full faith and credit of the State is pledged, including any obligation of the University or financial guarantee purchased by the University that (1) has a rating equal to or better than that of the State and for which, pursuant to Section 8-258(g) of the General Statutes, the State has issued a collateralized direct guarantee of the State of the punctual payment of such investment or financial guarantee from the general fund of the State and carrying the full faith and credit pledge of the State, (2) does not result in a reduction of any rating of the University's long-term debt, and (3) if rated by both Moody's and S&P, is rated by both Moody's and S&P in one of the two highest rating categories, or if not rated by both Moody's and S&P, is rated by either Moody's or S&P in one of the two highest rating categories (without regard to the addition of a plus (+) or a minus (-) to any rating);

(8) Deposits in interest-bearing time or demand deposits or certificates of deposit secured by obligations described in Subsections (1) through (6) of this definition;

(9) Participation certificates in the short term investment fund created and existing under Section 3-27a of the General Statutes;

(10) Tax-exempt Proceeds Fund established by the State Treasurer pursuant to Section 3-24a of the General Statutes;

(11) Such obligations, securities and investments as are set forth in Subsection (f) of Section 3-20 of the General Statutes, as the same may be amended from time to time; and

(12) Surety or Sureties.

"Minimum State Operating Provision" means the commitment of the State to appropriate, annually an amount for the University for operations after receiving a request from the University therefor and consideration of other amounts available to the University for its operations which amount so appropriated shall be consistent with the University continuing to operate in furtherance and pursuant to the provisions of section 2 of article eighth of the Constitution of the State and applicable law as an institution dedicated to the excellence in higher education, including the operation of the components of UCONN 2000 at Storrs and elsewhere in the State pursuant to section 5 of the Act; provided, however, nothing in section 1 to 25, inclusive, of the Act shall be construed to preclude the State from appropriating a lower or higher amount than the amount appropriated in the previous fiscal year so long as the appropriation act provides and determines that the University can continue to operate as an institution dedicated to excellence in higher education and such amount so appropriated shall then constitute the Minimum State Operating Provision.

“MSRB” means the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934.

“Notes” means any obligations of the University, other than Bonds, Reimbursement Obligations or Swaps, issued for the purposes of the Act to provide funds for deposit in the Bond Proceeds Fund and issued in anticipation of the issuance of Bonds.

“Notional Amount” means the non-payable or the theoretical principal amount with reference to which Swap Payments and Swap Receipts are calculated, as specified as such for each Swap in the documentation applicable thereto.

“NRMSIR” means, at any time, a then-existing nationally recognized municipal securities information repository, as recognized from time to time by the SEC for the purposes referred to in the Rule. The NRMSIRs as of the date of this Special Obligation Indenture are: Bloomberg Municipal Repositories (Princeton, NJ), DPC Data, Inc. (Fort Lee, NJ), Kenny Information Systems Inc. (New York, NY) and Thomson NRMSIR (New York, NY).

“Outstanding Bond” means, as of any date, a Bond or portion of any Bond of such Series theretofore or thereupon being authenticated and delivered under the Special Obligation Indenture, except any:

(1) Bond cancelled by the Trustee and Paying Agent or the University at or prior to such date;

(2) Bond for the payment or redemption of which cash, equal to the principal amount or Redemption Price, shall be held in trust under the Special Obligation Indenture for such purpose (whether at or prior to the maturity or Redemption Date), provided that if such Bond is to be redeemed, notice of such redemption shall have been given as provided in Article IV of this Special Obligation Indenture, or provision satisfactory to the Trustee shall have been made for the giving of such notice;

(3) Bond referred to in Section 1105 of the Special Obligation Indenture;

(4) Bond issued in lieu of or in substitution for which another Bond shall have been authenticated and delivered pursuant to Article IV, Section 406 and Section 1106 of the Special Obligation Indenture; and

(5) Bond deemed to have been paid as provided in Section 1401 of the Special Obligation Indenture.

“Paying Agent” for the Bonds of any series means the bank or trust company located within or without the State and its successor or assigns, appointed by the University pursuant to the provisions of the Special Obligation Indenture and any successor or assign so appointed and approved.

“Pledged Revenues” means special revenues, subject to the prior lien on and pledge thereof noted in Section 907 hereof, to be received by the University from fees and charges for certain auxiliary activities, including the Residential Life Room Fee, the Student Apartment Rentals, the Greek Housing Fee, the Board (Dining) Fee, the Infrastructure Maintenance Fee, the Parking and Transportation Fee, the General University Fee, the Athletic Stadia FIT Fee and the Student Recreation Center Fee, (1) such other legally available revenues, including but not limited to other fees and charges and Special Eligible Gifts, as the Board of Trustees may determine to pledge hereunder by or pursuant to a Supplemental Indenture excluding in any event Assured Revenues from the State Debt Service Commitment and the Minimum State Operating Provision and (2) any interest earned or gains realized by the investment of moneys held by the Trustee in the Funds and Accounts created under Section 602 of the Special Obligation Indenture, which are treated hereunder as Pledged Revenues and which constitute a part of the Trust Estate.

"Principal" means the principal amount of the Bonds of a Series as due on a certain future date.

"Principal Installment" for any period, means, as of any date of calculation and with respect to any Series, so long as any Bonds thereof are Outstanding:

(1) the principal amount of Bonds of said Series which mature in such period, reduced by the aggregate principal amount of such Bonds which would before such period be retired by reason of the payment when due and application in accordance with the Special Obligation Indenture or Sinking Fund Installments payable before such period for the retirement of such Bonds, plus

(2) the unsatisfied balance (determined as provided in Section 606 of the Special Obligation Indenture) of the Sinking Fund Installments, if any, due during such period for the Bonds of such Series.

"Project" means any capital improvement to be financed with Bonds under the Special Obligation Indenture pursuant to the Act and described in a Supplemental Indenture, including any structure designed for use as a dormitory or other housing facility, dining facility, student union, academic building, administrative facility, library, classroom building, research facility, faculty facility, office facility, athletic facility, health care facility, laboratory, maintenance, storage or utility facility or other building or structure essential, necessary or useful for instruction in a program of education provided by the university; or any multipurpose structure designed to combine two or more of the functions performed by the types of structures enumerated in this subsection, including, without limitation, improvements, reconstruction, replacements, additions and equipment acquired in connection with a Project or in connection with operation of any facilities of the University existing on the effective date of the Act. "Project" includes all real and personal property, lands, improvements, driveways, roads, approaches, pedestrian access roads, parking lots, parking facilities, rights-of-way, utilities, easements and other interests in land, machinery and equipment, and all appurtenances and facilities either on, above or under the ground that are used or usable in connection with any of the structures mentioned in this subsection. "Project" also includes landscaping, site preparation, furniture, machinery, equipment and other similar items necessary or convenient for the operation of a particular facility or structure in the manner for which its use is intended, but does not include items that are customarily under applicable accounting principles considered as a current operating charge, unless the category and maximum amount thereof is specifically included by a determination of the Board of Trustees in the Financing Transaction Proceedings and by percentage or otherwise as may be limited pursuant to such proceedings in order to preserve the excludability of the interest on the securities issued therefor from Federal taxation under the applicable provisions of the Internal Revenue Code of 1986, or any subsequent corresponding internal revenue code of the United States, as from time to time amended.

"Rebate Fund" means such fund of the University established by Section 602 hereof and governed by Section 608 of the Special Obligation Indenture.

"Redemption Fund" means such fund of the University established by Section 602 of the Special Obligation indenture and governed by Section 607 of the Special Obligation Indenture.

"Redemption Price" means, with respect to any Bond, the principal amount thereof, plus the applicable premium, if any, payable upon redemption thereof pursuant to the Special Obligation Indenture.

"Renewal and Replacement Fund" means such fund of the University established by Section 602 hereof and governed by Section 612 of the Special Obligation Indenture.

"Renewal and Replacement Fund Requirement" means that amount necessary for the University to maintain the Projects financed with the proceeds of the Bonds in sound operating condition in conformity with the Act, as determined, from time to time, by the University.

"Rule" means Rule 15c2-12 promulgated by the SEC under the Securities Exchange Act of 1934 (17 CFR Part 240, §240.15c2-12), as in effect on the date of the Special Obligation Indenture, including any official interpretations thereof issued either before or after such date which are applicable to Article XV of the Special Obligation Indenture.

"Series of Bonds" or "**Bonds of a Series"** or words of similar meaning, means the designated series of Bonds authorized by the Special Obligation Indenture with respect to Initial Bonds or by the Special Obligation Indenture and a Supplemental Indenture with respect to any Additional Bonds.

"SID" means, at any time, a then-existing State information depository, if any, as operated or designated as such by or on behalf of the State for the purposes referred to in the Rule. (As of the date of the Special Obligation Indenture, there is no SID.)

"Sinking Fund Installment" means, for any period as of any date of calculation and with respect to any Outstanding Series of Bonds, the amount of money required by the Special Obligation Indenture or the Supplemental Indenture authorizing the issuance of such Series of Bonds to be paid on a single future fixed date for the retirement of any Outstanding Bonds of said Series that mature after said future date, but does not include any amount payable by the University by reason only of the maturity of a Bond, and said fixed future date is deemed to be the date when such Sinking Fund Installment is payable and the date of such Sinking Fund Installment and said Outstanding Bonds are deemed to be the Bonds entitled to such Sinking Fund Installment. Unless otherwise provided in a Supplemental Indenture, each such future fixed date of any year shall be November 15.

"Special Capital Reserve Fund" means the fund established pursuant to the provisions of the Act and Section 602 of the Special Obligation Indenture and governed by Section 610 of the Special Obligation Indenture.

"Special Capital Reserve Fund Maximum Requirement" means, as of any date of computation and for the period computed, an amount equal to the sum of the greatest amount of Principal Installments, including Sinking Fund Installments, and Interest Requirements maturing and becoming due in the Calendar Year in which such computation is made or in any single succeeding Calendar Year on all Outstanding Bonds of the University issued under the Special Obligation Indenture; provided that for the purposes of determining the maximum amount required to be on deposit and thereafter maintained in the with respect to any Series of Bonds secured by the Special Capital Reserve Fund, the interest on which is excludable from gross income for federal income tax purposes, the Special Capital Reserve Fund Maximum Requirement shall (a) at no time exceed the least of (x) the sum of the maximum amount of (i) the Principal Requirement and (ii) the Interest Requirement coming due during the then or any succeeding Calendar Year or (y) 125% of the average annual Principal, Sinking Fund Installment and interest on any such Series of Outstanding Bonds coming due during the then current or any succeeding Calendar Year or (z) ten percent of the proceeds (as such term is used in Section 148(d) of the Code) from the sale of such Series of Bonds or Notes and (b) not be funded with in excess of ten percent (10%) of such proceeds from the sale of such series of Bonds or as otherwise limited by Federal tax law regarding the tax exemption of the Bonds.

"Special Capital Reserve Fund Minimum Requirement" means the maximum amount of Principal Installment and Interest Requirement becoming due by reason of maturity or a required Sinking Fund Installment in the succeeding Calendar Year on the Outstanding Bonds secured by such Special Capital Reserve Fund.

"Special Eligible Gift" means a gift to the University of cash or assets which may be reduced to cash by the University which the donor has specifically designated as a donation for use by the University in furtherance of UConn 2000 or which explicitly or implicitly by the terms thereof the University may use for UConn 2000 and which the University determines to so use therefor pursuant to section 9(a) of the Act.

"State Debt Service Commitment" means, an annual amount payable by the State, commencing in the Fiscal Year ending June 30, 1996, and any Fiscal Year thereafter with respect to the debt service on bonds issued as general obligations of the University pursuant to section 7(c) of the Act for UCONN 2000 in a principal amount not exceeding nine hundred eighty million dollars.

"Student Apartment Rentals" means the student apartment rentals to be received by the University from student apartment facilities that presently are or will become a UCONN 2000 Project.

"Subordinated Swap" or **"Subordinated Swap Payments"** means either a financial arrangement that meets the definition of Swap or a net amount to be paid by the University under such financial arrangement that meets the definition of Swap Payment but does not qualify hereunder as a Swap or Swap Payment, respectively, and is expressly payable (including any termination payment thereunder) only from a subordinated account or is otherwise subordinated pursuant to this Special Obligation Indenture.

"Supplemental Indenture" means any supplemental indenture entered into by the Trustee and the University pursuant to and in compliance with the provisions of Article X of the Special Obligation Indenture providing for the issuance of Additional Bonds or Refunding Bonds, and shall also mean any other indenture between the same parties entered into pursuant to and in compliance with the provisions of such Article amending or supplementing the provisions of the Special Obligation Indenture as originally executed or as theretofore amended or supplemented.

"Surety" means any surety agreement, insurance agreement, letters of credit or other type of agreement or arrangement, including guaranteed investment contracts satisfying the provisions hereof or of any applicable Supplemental Indenture authorizing a Series of Bonds, which provides for the availability, at all times required under the Special Obligation Indenture or under any such Supplemental Indenture, of the amount of money or the value of the Investment Obligations in lieu of which such agreement or arrangement is substituted; provided that (1) the financial institution providing such Surety shall have an outstanding, unsecured, uninsured and unguaranteed debt issue which has been assigned, or (2) such Surety itself is assigned, either of the three highest ratings (without regard to the addition of a plus (+) or a minus (-) to any rating) by S&P, Moody's and Fitch, if either of the latter two is maintaining a rating on any Bonds not supported by the Special Capital Reserve Fund and is then rating such financing institution or Surety; and provided further that, if the financial institution providing or guaranteeing such Surety is an insurance company, the claims-paying ability of such insurance company shall be assigned either of the three highest ratings (without regard to the addition of a plus (+) or a minus (-) to any rating) by S&P and Moody's or Fitch, if either of the latter two is maintaining a rating on any Bonds not supported by the Special Capital Reserve Fund and is then rating such insurance company.

"Swap" means any financial arrangement:

(1) that is entered into by the University with an entity that is a Swap Provider at the time the arrangement is entered into;

(2) which:

(a) provides that the University shall pay to such entity an amount based on the interest accruing at a fixed rate on the Notional Amount equal to all or part of the outstanding Principal amount of a Series of Bonds issued hereunder, and that such entity shall pay to the University an amount based on the interest accruing on the Notional Amount at a variable rate of interest computed according to a formula set forth in such arrangement (which need not be the same as the actual rate of interest borne by such Series of Bonds) or that one (after adjustment for any cap, floor, collar or other financial arrangement referred to in (2)(c) hereof, with respect thereto) shall pay to the other the net amount (Swap Payment or Swap Receipt) due under such arrangement;

(b) provides that the University shall pay to such entity an amount based on the interest accruing on the Notional Amount equal to all or part of the outstanding principal amount of a Series of Bonds issued hereunder, at a variable rate of interest computed according to a formula set forth in such arrangement and that such entity shall pay to the University an amount based on the interest accruing at a fixed rate on the Notional Amount (which need not be the same as the actual rate of interest borne by such Series of Bonds) or that one (after adjustment for any cap, floor, collar or other financial arrangement referred to in (2)(c) hereof, with respect thereto) shall pay to the other the net amount (Swap Payment or Swap Receipt) due under such arrangement; or

(c) is included as part of or covered by the financial transaction described in (2)(a) or (2)(b) above or is separately executed and which is a cap, floor or collar, forward rate, future rate, asset, swap or index, price or market linked transaction or agreement, other exchange or rate protection transaction agreement, other similar transaction (however designated) or any combination thereof or any option with respect thereto executed by the University for the purpose of moderating interest rate fluctuations or otherwise pursuant to the Act, as amended; and

(3) which has been designated in writing to the Trustee by an Authorized Officer of the University and authenticated or otherwise registered by the Trustee hereunder as a Swap with respect to a Series of Bonds or Notes.

"Swap" shall also include any such financial arrangement described in clauses (2) and (3) above entered into by the University with a Swap Provider, as a replacement of a Swap that has been terminated and which has been so designated in writing to the Trustee by an Authorized Officer of the University with respect to a Series of Bonds or Notes.

"Swap Receipt" means the net amount required to be paid to the University under a Swap, but shall not include any Termination Receipt.

"Termination Payment" means with respect to a Swap an amount required to be paid by the University to the Swap Provider or related Swap Facility as a result of the termination of the Swap or required to be paid by the University into a collateral account as security for any termination provided that any payment by the University on account of termination of a Swap shall be subject to amortization over several fiscal years to be determined and approved by the Treasurer in the Swap.

"Termination Receipt" means with respect to a Swap an amount required to be paid to the University by the Swap Provider or related Swap Facility as a result of the termination of the Swap.

"Trust Estate" means all of the funds, securities, property, rights, privileges and interest conveyed, pledged and assigned as provided in the Granting Clause of the Special Obligation Indenture, securing the payment of the Principal and Redemption Price, if any, of and interest on the Bonds according to their respective terms and all other amounts due in connection therewith and the performance and observance by the University of all the covenants expressed or implied in the Special Obligation Indenture and stated on the Bonds.

"Trustee" means U.S. Bank Trust Company, National Association (successor to U.S. Bank National Association and State Street Bank and Trust Company), and any successor trust company or bank having the powers of a trust company within or without the State succeeding a prior trust company or bank as trustee, appointed pursuant to Section 810 of the Special Obligation Indenture.

"UConn 2000 Infrastructure Improvement Program" or "**UCONN 2000"** means the promotion, planning, designing, developing, encouraging, assisting, acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing of any UCONN 2000 Project and assisting directly or indirectly in the financing of the cost thereof pursuant to the Act including the program of the University pursuant to which it issues bonds under the Special Obligation Indenture.

"UConn 2000 Project" means any UConn 2000 Phase I, UConn 2000 Phase II Project and UConn 2000 Phase III Project which the Board of Trustees by resolution authorizes to finance with Bonds hereunder provided such resolution is submitted to the Governor and has not been disapproved by the Governor within thirty (30) days of its submission.

"University" means The University of Connecticut, a constituent unit of the State system of public higher education, including The University of Connecticut Health Center and pursuant to the Act having perpetual succession as a body politic and corporate and an instrumentality and agency of the State or any body, agency, or instrumentality of the State or the State which shall hereafter succeed to the powers, duties and functions of the University under the Special Obligation Indenture.

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APPENDIX D

FORM OF OPINIONS OF BOND COUNSEL

Upon the delivery of the University of Connecticut Special Obligation Student Fee Revenue Bonds, 2022 Refunding Series A, Hawkins Delafield & Wood LLP, Lead Bond Counsel, and Pullman & Comley, LLC, Co-Bond Counsel, propose to issue their final approving opinions in substantially the following form:

November 15, 2022

University of Connecticut
352 Mansfield Road
Storrs, Connecticut 06269

Honorable Shawn T. Wooden, Treasurer
State of Connecticut
Office of the Treasurer
165 Capital Avenue
Hartford, Connecticut 06106

Ladies and Gentlemen:

We have examined a record of proceedings relating to the issuance of $52,515,000 Special Obligation Student Fee Revenue Bonds 2022 Refunding Series A (the "2022 Refunding Series A Bonds") of the University of Connecticut (the "University"), a body politic and corporate constituting a public instrumentality and agency of the State of Connecticut (the "State"), operating and existing under the Constitution and laws of the State. Capitalized terms used herein and not otherwise defined shall have the definitions assigned to them by the Indentures (as hereinafter defined).

The 2022 Bonds are authorized to be issued pursuant to The University of Connecticut 2000 Act, constituting Sections 10a-109a to 10a-109y inclusive of the Connecticut General Statutes, as amended to the date hereof (the "Act"), the Special Obligation Indenture of Trust, dated as of January 1, 1997, between the University and U.S. Bank Trust Company, National Association, as successor trustee (the "Trustee"), as amended and supplemented (the "Special Obligation Indenture"), including as supplemented by the Third Supplemental Indenture, dated as of February 1, 2002, between the University and the Trustee (the "Third Supplemental Indenture"). The Special Obligation Indenture and the Third Supplemental Indenture are collectively referred to herein as the "Indentures").

The 2022 Refunding Series A Bonds are dated, will mature on the dates, and will bear interest at the rates, all as set forth in or determined pursuant to the Indentures.

The University is authorized to issue bonds, in addition to the 2022 Refunding Series A Bonds, upon the terms, conditions and covenants set forth in the Act and the Special Obligation Indenture (collectively, the "Bonds"), and such Bonds, when issued, shall, with the 2022 Refunding Series A Bonds and with all other such Bonds theretofore issued under the Special Obligation Indenture, be entitled to the equal benefit, protection, and security of the provisions, covenants, and agreements of the Special Obligation Indenture, in accordance with its terms.

We have examined the law and such other materials as we have deemed necessary in order to render this opinion. We have relied upon originals or copies, certified or otherwise identified to our satisfaction, of such public and private records, certificates and correspondence of public officials, including certificates of officials of the University and the Treasurer and such other documents as were provided to us. In making such examinations, we have assumed the genuineness of all signatures, the conformity to original documents of documents submitted as certified or photostatic copies, the validity of all applicable statutes, ordinances, rules and regulations, the capacity of all persons executing documents and the proper indexing and accuracy of all public records and documents.

We are of the opinion that:

1. Under the Constitution and laws of the State, the University exists as a body politic and corporate and an instrumentality and agency of the State, performing an essential public function with good right and lawful authority, among other things, to carry out the UConn 2000 Infrastructure Improvement Program and to provide funds therefor by the execution of the Indentures and the issuance and sale of Bonds, including the 2022 Refunding Series A Bonds, and to perform its obligations under the terms and conditions of the Indentures including collecting and enforcing the collection of Pledged Revenues as covenanted in the Indentures, except to the extent such enforcement may be limited by bankruptcy, insolvency, and other laws affecting creditors' rights or remedies heretofore or hereafter enacted.

2. The Indentures have been duly executed by the University and are valid and binding upon the University and enforceable in accordance with their terms.

3. The 2022 Refunding Series A Bonds have been duly authorized, executed and authenticated and are legal, valid and binding limited obligations of the University payable solely from revenues, funds and assets pledged therefor under the Indentures and are entitled to the equal benefit, protection, and security of provisions, covenants and remedies of the Indentures. The 2022 Refunding Series A Bonds are limited recourse special obligations of the University and do not constitute a general obligation of the University nor are they guaranteed by the University. The University has no taxing power.

4. The 2022 Refunding Series A Bonds are secured by the Pledged Revenues, which the University has covenanted to collect, in the manner and to the extent set forth in the Indentures. The Special Obligation Indenture (a) obligates the University to deposit Pledged Revenues into the Trust Estate and to apply the same first to the credit of the Debt Service Fund to pay debt service and (b) creates the valid pledge of and the valid lien upon the Trust Estate, including the monies and securities held or set aside or to be set aside and held in such Debt Service Fund established thereunder, which the Indentures purport to create, subject only to the provisions of the Indentures permitting the application thereof for or to the purposes and on the terms and conditions set forth in the Indentures.

5. Pursuant to the Special Obligation Indenture, the University has validly covenanted in the manner and to the extent provided in the Special Obligation Indenture, among other things, to do all acts and things necessary to receive and collect the Pledged Revenues.

6. Pursuant to the Act, the 2022 Refunding Series A Bonds do not constitute a debt or liability of the State of Connecticut or any municipality or other political subdivision thereof or bonds issued or guaranteed by the State within the meaning of Section 3-21 of the General Statutes of Connecticut (except to the extent set forth in the Act), do not obligate the State or any municipality or political subdivision to levy or pledge any form of taxation and are payable solely from the funds provided therefor pursuant to the Indentures and the Act.

The Internal Revenue Code of 1986, as amended (the "Code"), establishes certain requirements that must be met on and subsequent to the delivery of the 2022 Refunding Series A Bonds in order that interest on the 2022 Refunding Series A Bonds be excluded from gross income under Section 103 of the Code. These requirements include, but are not limited to, requirements relating to the use and expenditure of gross proceeds of the 2022 Refunding Series A Bonds, restrictions on the investment of 2022 Refunding Series A Bond proceeds prior to expenditure and the requirement that certain earnings be rebated to the federal government. Noncompliance with such requirements may cause interest on the 2022 Refunding Series A Bonds to become subject to federal income taxation retroactive to their date of issue, irrespective of the date on which such noncompliance occurs or is ascertained.

On the date of delivery of the 2022 Refunding Series A Bonds, the University will execute a Tax Regulatory Certificate and Agreement (the "Tax Regulatory Agreement") containing provisions and procedures pursuant to which such requirements can be satisfied. In executing the Tax Regulatory Agreement, the University covenants that it will comply with the provisions and procedures set forth therein, and that it will do and perform all acts and things necessary or desirable to assure that interest paid on the 2022 Refunding Series A Bonds will, for federal income tax purposes, be excluded from gross income.

In rendering the opinion in paragraph 7 below, we have relied upon and assumed (i) the material accuracy of the representations, statements of intention and reasonable expectation, and certifications of fact contained in the Tax Regulatory Agreement with respect to matters affecting the status of interest paid on the 2022 Refunding Series A Bonds, and (ii) continuing compliance by the University with the procedures and covenants set forth in the Tax Regulatory Agreement as to such tax matters.

7. Under existing law and existing statutes and court decisions, as applicable, interest on the 2022 Refunding Series A Bonds is excluded from gross income under Section 103 of the Code and is not an item of tax preference for purposes of the alternative minimum tax under the Code; however, such interest is included in the "adjusted financial statement income" of certain corporations that are subject to the alternative minimum tax imposed on such corporations for tax years beginning after December 31, 2022. In rendering our opinion, we have relied on certain representations, certifications of fact, and statements of reasonable expectations made by the University and others in connection with the 2022 Refunding Series A Bonds, and we have assumed compliance by the University with certain ongoing covenants to comply with applicable requirements of the Code to assure the exclusion of interest on the 2022 Refunding Series A Bonds from gross income under Section 103 of the Code.

8. Under existing statutes, interest on the 2022 Refunding Series A Bonds is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts, and estates, and interest on the 2022 Refunding Series A Bonds is excluded from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay the federal alternative minimum tax.

Except as stated in paragraphs 7 and 8 above, we express no opinion as to any other federal, state or local tax consequences arising with respect to the 2022 Refunding Series A Bonds or the ownership or disposition thereof. We render our opinion under existing statutes and court decisions as of the issue date, and we assume no obligation to update, revise or supplement this opinion after the issue date to reflect any action hereafter taken or not taken, or any facts or circumstances, or any change in law or interpretations thereof, or otherwise, that may hereafter arise or occur, or for any other reason. Furthermore, we express no opinion herein as to the effect of any action hereafter taken or not taken in reliance upon an opinion of counsel other than ourselves on the exclusion from gross income for federal income tax purposes of interest on the 2022 Refunding Series A Bonds.

In rendering this opinion, we are advising you that the enforceability of rights and remedies with respect to the 2022 Refunding Series A Bonds may be limited by bankruptcy, insolvency, and other laws affecting creditors' rights or remedies heretofore or hereafter enacted.

Very truly yours,

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APPENDIX E

FORM OF CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (the "Disclosure Agreement") is dated as of November 15, 2022 and is executed and delivered by the University of Connecticut (the "University") and U.S. Bank Trust Company, National Association (the "Dissemination Agent") in connection with the issuance of $52,515,000 University of Connecticut Special Obligation Student Fee Revenue Bonds, 2022 Refunding Series A (the "Bonds"). The Bonds are being issued pursuant to a Special Obligation Indenture of Trust, dated as of January 1, 1997, as supplemented and amended to date (the "Indenture"), between the University and U.S. Bank Trust Company, National Association of Hartford, Connecticut, as successor trustee thereunder (the "Trustee"). For valuable consideration, the receipt of which is acknowledged, the Dissemination Agent and the University covenant and agree as follows:

SECTION 1. Purpose of the Disclosure Agreement. This Disclosure Agreement is being executed and delivered by the University and the Dissemination Agent for the benefit of the Bondholders (defined below) and the beneficial owners of the Bonds, and in order to assist the Participating Underwriters (defined below) in complying with the Rule (defined below).

SECTION 2. Definitions. In addition to the definitions set forth in the Indenture, which apply to any capitalized term used in this Disclosure Agreement unless otherwise defined in this Disclosure Agreement, the following capitalized terms shall have the following meanings:

"Annual Report" shall mean any Annual Report provided by the University pursuant to, and as described in, Sections 3 and 4 of this Disclosure Agreement.

"Bondholder" or the term "Holder", when used with reference to a Bond or Bonds, shall mean any person who shall be the registered owner of any Bond and any beneficial owner thereof.

"Disclosure Representative" shall mean the Controller or the Chief Financial Officer of the University or his or her designee, or such other person as the University shall designate in writing to the Dissemination Agent from time to time.

"Dissemination Agent" shall mean the initial Dissemination Agent hereunder, which is U.S. Bank Trust Company, National Association, or any successor Dissemination Agent designated in writing by the University and acceptable to the State and which has filed with U.S. Bank Trust Company, National Association a written acceptance of such designation.

"EMMA" shall mean the Electronic Municipal Market Access system for municipal securities disclosure (http://emma.msrb.org) or any other repository of disclosure information that may be designated by the SEC (defined below).

"Filing Date" shall have the meaning given to such term in Section 3(a) of this Disclosure Agreement.

"Listed Events" shall mean, with respect to the Bonds, any of the events listed in subsection (b)(5)(i)(C) of the Rule (defined below), which are listed in Section 5(a) of this Disclosure Agreement.

"MSRB" shall mean the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934, or any successor thereto or to the functions of the MSRB contemplated by this Disclosure Agreement.

"Official Statement" shall mean the Official Statement dated October 27, 2022 relating to the Bonds.

"Participating Underwriters" shall mean any or all of the original underwriters of the Bonds required to comply with the Rule in connection with the offering of the Bonds.

"Rule" shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

"SEC" shall mean the United States Securities and Exchange Commission.

"State" shall mean the State of Connecticut acting by and through the Treasurer of the State.

"Tax-exempt" shall mean that interest on the Bonds is excluded from gross income for federal income tax purposes, whether or not such interest is includable as an item of tax preference or otherwise includable directly or indirectly for purposes of calculating any other tax liability, including any alternative minimum tax or environmental tax.

SECTION 3. Provision of Annual Reports.

(a) The University, commencing with the fiscal year ending June 30, 2022, shall, or shall cause the Dissemination Agent to, not later than February 28 of each year, or in the event of a change in the University's fiscal year from the present July 1 to June 30 fiscal year, within eight months after the end of such fiscal year (the "Filing Date"), provide to the MSRB through EMMA an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Agreement. On or prior to the Filing Date (except that in the event the University elects to have the Dissemination Agent file such report, five (5) Business Days prior to such date) such Annual Report shall be provided by the University to the Dissemination Agent together with either (i) a letter authorizing the Dissemination Agent to file the Annual Report with the MSRB, or (ii) a certificate stating that the University has provided the Annual Report to the MSRB and the date on which such Annual Report was provided. In each case, the Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Agreement; provided that the audited financial statements of the University may be submitted separately from the balance of the Annual Report; and provided further that audited financial statements of the University shall be submitted as soon as practicable after the audited financial statements become available. The University shall promptly notify the Dissemination Agent of any change in the University's fiscal year.

(b) If by 5 Business Days prior to the Filing Date the Dissemination Agent has not received a copy of the Annual Report, the Dissemination Agent shall contact the University to request a report regarding compliance with the provisions governing the Annual Report.

(c) If the Dissemination Agent is unable to verify that an Annual Report has been provided to the MSRB through EMMA by the Filing Date, the Dissemination Agent shall send a reminder notice to the University and shall send a notice to the MSRB in substantially the form attached as Exhibit A hereto.

(d) The Dissemination Agent shall file a report with the University and the Trustee (if the Dissemination Agent is not the Trustee) certifying that the University has filed a report (directly or through the Dissemination Agent) purporting to be an Annual Report pursuant to this Disclosure Agreement, and stating the date it was provided (if such report was provided).

SECTION 4. Content of Annual Reports. The University's Annual Report shall contain or incorporate by reference the following:

(a) audited financial statements (including notes) of the University and University of Connecticut Health Center ("UConn Health"), provided, however, if audited financial statements are not available by the Filing Date, the University may file unaudited financial statements in lieu of such audited financial statements until such audited financial statements become available, which financial statements may be individual, combined or consolidated, prepared in accordance with generally accepted accounting/auditing principles as in effect from time to time, and consistently applied, unless otherwise explained in notes to the financial statements.

(b) financial information and operating data of the University for the preceding fiscal year, which shall include annual or year-end information of the University, as applicable, of the type included in the Official Statement, as set forth below:

(1) student statistical information of the type set forth in Appendix A to the Official Statement ("Appendix A") under the headings:

(i) Schedule of Freshmen Enrollment – Storrs Campus;
(ii) Average Total SAT Scores (excluding writing component);
(iii) Total Enrollment Data (Head Count);
(iv) Percentage of Enrollment by Residence Status;
(v) In-State Undergraduate Tuition and Other Fees;and
(vi) Financial Aid to University Students (excluding Tuition Waivers);

(2) to the extent not otherwise incorporated in the financial statements of the University provided in accordance with Section 4(a) hereof, revenue, expense and fund data of the type set forth in the Official Staement under the headings:

(i) Statement of Revenues, Expenses and Changes in Net Position;
(ii) University Budget (Storrs and Regional Campuses);
(iii) Statement of Current Funds Operations;
(iv) Schedule of State Operating Support and Fringe Benefits to the University;
(v) State Legislative Bond Authorizations for the University;
(vi) Grants and Contracts;
(vii) Assets, Support and Revenue, Expenditures of UConn Foundation;
(viii) Debt Service on General Obligation Bonds;
(ix) Total UConn 2000 Debt Obligations Outstanding;
(x) Debt Service on Special Obligation Student Fee Revenue Bonds; and
(xi) Statement of Projected Coverage Levels; and

(3) student statistical information of UConn Health and, to the extent not otherwise incorporated in the financial statements of UConn Health provided in accordance with Section 4(a) hereof, revenue, expense and fund data all of the type set forth in Appendix A under the headings:

(i) Average Total MCAT and DAT Scores;
(ii) Passing Rates on National Exams;
(iii) Annual Cost of an In-State Student Enrolled at UConn Health by School;
(iv) Percentage of Enrollment by Residence Status;
(v) Statement of Revenues, Expenses and Changes in Net Position;
(vi) Statement of Current Funds Operations;
(vii) Governmental Grants and Contracts; and
(viii) Long Term Liability;

together with a narrative explanation, if necessary to avoid misunderstanding, regarding the presentation of financial and operating data concerning the University and the financial and operating condition of the University; provided, however, that the references above to specific section headings of the Official Statement used as a means of identification shall not prevent the University from reorganizing such material in subsequent official statements and Annual Reports.

(c) Any or all of the items listed above may be incorporated by reference from other documents, including financial statements provided under Section 4(a) hereof, or official statements of debt issues with respect to which the University is the issuer, which have been (i) made available to the public on EMMA or (ii) filed with the SEC. If the document incorporated by reference is a final official statement, it must be available from the MSRB. The University shall clearly identify each such other document so incorporated by reference.

SECTION 5. Reporting of Listed Events.

(a) The University shall, or shall cause the Dissemination Agent to, give notice of the occurrence of any of the Listed Events relating to the Bonds to the MSRB in a timely manner not in excess of ten (10) Business Days after the occurrence of any of such Listed Events:

(1) principal and interest payment delinquencies;

(2) non-payment related defaults, if material;

(3) unscheduled draws on debt service reserves reflecting financial difficulties;

(4) unscheduled draws on credit enhancements reflecting financial difficulties;

(5) substitution of credit or liquidity providers, or their failure to perform;

(6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701 TEB) or other material notices of determination with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;

(7) modifications to the rights of holders of the Bonds, if material;

(8) Bond calls, if material, and tender offers (other than mandatory sinking fund redemptions);

(9) Bond defeasances;

(10) release, substitution, or sale of property securing repayment of the Bonds, if material;

(11) rating changes;

(12) bankruptcy, insolvency, receivership or similar event of the University or the State;

Note to clause (12): For the purposes of the event identified in clause (12) above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the University in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or government authority has assumed jurisdiction over substantially all of the assets or business of the University or the State, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the University or the State.

(13) the consummation of a merger, consolidation, or acquisition involving the University or the State or the sale of all or substantially all of the assets of the University or the

State, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

(14) appointment of a successor or additional paying agent or trustee or the change of the name of the paying agent or trustee, if material;

(15) incurrence of a financial obligation, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation, any of which affect security holders, if material; and

(16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the University, any of which reflect financial difficulties.

Note to clauses (15) and (16): For the purposes of the events identified in clauses (15) and (16) above, the term "financial obligation" means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term "financial obligation" shall not include municipal securities as to which a final official statements has been provided to the MSRB consistent with the Rule.

(b) The Dissemination Agent shall, promptly after obtaining actual knowledge of the occurrence of any of the Listed Events, contact the Disclosure Representative and inform such person of the event. "Actual knowledge" for purposes of this subsection (b) shall mean actual knowledge of an officer of the Corporate Trust Administration of the Dissemination Agent.

(c) Whenever the University obtains knowledge of the occurrence of a Listed Event set forth in clauses (2), (7), (8) (relating to Bond calls only), (10), (13), (14) or (15) of subsection (a) above, whether because of a notice from the Dissemination Agent pursuant to subsection (b) or otherwise, the University shall as soon as possible determine if such event would constitute material information for Bondholders, and if such event is determined by the University to be material, the University shall, or shall cause the Dissemination Agent to, give notice of such event to the MSRB not later than ten (10) Business Days after the occurrence of such event.

(d) If the University elects to have the Dissemination Agent file notice of any Listed Event, the University will provide the notice to the Dissemination Agent within 5 Business Days after the occurrence of the Listed Event, along with an instruction to file the notice with the MSRB.

SECTION 6. Termination of Reporting Obligation.

(a) The University's and the Dissemination Agent's obligations under this Disclosure Agreement shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds.

(b) In addition, the University's obligations under the provisions of this Disclosure Agreement shall terminate (in whole or in part, as the case may be) in the event that (1) the University delivers to the Dissemination Agent and the Trustee an opinion of nationally recognized bond counsel or counsel expert in federal securities laws, addressed to the Dissemination Agent and the Trustee to the effect that those portions of the Rule which require the provisions of this Disclosure Agreement, or any of such provisions, do not or no longer apply to the Bonds, whether because such portions of the Rule are invalid, have been repealed, or otherwise, as shall be specified in such opinion (but such termination of the University's obligations shall be effective only to the extent specifically addressed by such opinion), and (2) the Dissemination Agent delivers copies of such opinion to (i) the MSRB, (ii) the Trustee (if other than the Dissemination Agent), and (iii) Piper

Sandler & Co., as representative of the Participating Underwriters. The Dissemination Agent shall so deliver such opinion promptly.

SECTION 7. Dissemination Agent.

(a) The University may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Agreement, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. If at any time there is not any other designated Dissemination Agent, the Trustee shall be the Dissemination Agent.

(b) The Dissemination Agent, or any successor thereof, may at any time resign and be discharged of its duties and obligations hereunder by giving not less than thirty (30) days written notice to the University and the registered owners of the Bonds, specifying the date when such resignation shall take effect. Such resignation shall take effect upon the date a successor shall have been appointed by the University or by a court upon the application of the Dissemination Agent.

(c) In case the Dissemination Agent, or any successor thereof, shall resign or shall be removed or shall become incapable of acting, or shall be adjudged bankrupt or insolvent, or if a receiver, liquidator or conservator of the Dissemination Agent or of its property shall be appointed, or if any public officer shall take charge of control of the Dissemination Agent, or of its property or affairs, the University shall forthwith appoint a Dissemination Agent to act. The University shall give or cause to be given written notice of any such appointment to the Bondholder and the Trustee (if the Trustee is not the Dissemination Agent).

(d) Any company into which the Dissemination Agent may be merged or with which it may be consolidated or any company resulting from any merger or consolidation to which it shall be a party or any company to which such Dissemination Agent may sell or transfer all or substantially all of its corporate trust business, shall be the successor to such Dissemination Agent, without any further act or deed.

SECTION 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Agreement, the University and the Dissemination Agent may amend this Disclosure Agreement (and the Dissemination Agent shall agree to any amendment not modifying or otherwise affecting its duties, obligations or liabilities in such a way as they are expanded or increased) and any provision of this Disclosure Agreement may be waived, if all of the following conditions are satisfied: (1) such amendment is made in connection with a change in circumstances that arises from a change in legal (including regulatory) requirements, a change in law (including rules or regulations) or in interpretations thereof, or a change in the identity, nature or status of the University or the type of business conducted thereby, (2) this Disclosure Agreement as so amended would have complied with the requirements of the Rule as of the date of this Disclosure Agreement, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances, (3) the University shall have delivered an opinion of counsel, addressed to the University, the Dissemination Agent and the Trustee, to the same effect as set forth in clause (2) above, (4) either (i) the University shall have delivered to the Trustee and the Dissemination Agent an opinion of counsel unaffiliated with the University (such as bond counsel) and acceptable to the University, to the effect that the amendment does not materially impair the interests of the Holders of the Bonds or (ii) the Bondholders consent to the amendment to this Disclosure Agreement pursuant to the same procedures as are required for amendments to the Indenture with consent of the Bondholders pursuant to the Indenture as in effect on the date of this Disclosure Agreement, and (5) the University shall have delivered copies of such opinion(s) and amendment to the MSRB. The Dissemination Agent may rely and act upon such opinions.

SECTION 9. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the University from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Annual Report or notice of the occurrence of a Listed Event, in addition to that which is required by this Disclosure Agreement. If the University chooses to include any information in any Annual Report or notice of the occurrence of a Listed Event, in addition to that which is specifically required by this

Disclosure Agreement, the University shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Report or notice of the occurrence of a Listed Event. Nothing in this Disclosure Agreement shall be deemed to prevent U.S. Bank Trust Company, National Association from providing a notice or disclosure as it may deem appropriate pursuant to any other capacity it may be acting in relating to the Bonds.

SECTION 10. Default. In the event of a failure of the University or the Dissemination Agent to comply with any provision of this Disclosure Agreement, the Dissemination Agent may (and, at the request of any of the Holders of at least 25% of the aggregate principal amount of Outstanding Bonds who have provided security and indemnity deemed acceptable to the Dissemination Agent, shall), or any party who can establish beneficial ownership of any of the Bonds, or any Bondholder may, after providing fifteen (15) days written notice to the University to give the University opportunity to comply within such fifteen-day period, take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the University to comply with its obligations under this Disclosure Agreement. A default under this Disclosure Agreement shall not be deemed an Event of Default under the Indenture, and the sole remedy available to the Dissemination Agent, any beneficial owners of the Bonds or the Bondholders under this Disclosure Agreement in the event of any failure of the University or the Dissemination Agent to comply with this Disclosure Agreement shall be an action to compel performance.

SECTION 11. Duties, Immunities and Liabilities of Dissemination Agent.

(a) The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement. To the extent that the Dissemination Agent is required under the terms of this Disclosure Agreement to report any information, it is only required to report information that it receives from the University in the form in which it is received, and the Dissemination Agent shall be under no responsibility or duty with respect to the accuracy and content of the information which it receives from the University.

(b) The Dissemination Agent shall have all such immunities and liabilities vested in the Trustee under the Indenture.

SECTION 12. Transmission of Notices, Documents and Information. (a) Unless otherwise required by the MSRB, all notices, documents and information provided to the MSRB pursuant to this Disclosure Agreement shall be provided to EMMA.

(b) All notices, documents and information provided to the MSRB shall be provided in an electronic format as prescribed by the MSRB and shall be accompanied by identifying information as prescribed by the MSRB.

SECTION 13. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the University, the Trustee, the Dissemination Agent, the Participating Underwriters, parties who can establish beneficial ownership of the Bonds and the Holders from time to time of the Bonds, and shall create no rights in any other person or entity.

SECTION 14. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

SECTION 15. Notices. The parties hereto may be given notices required hereunder at the addresses set forth for them in the Indenture.

SECTION 16. Applicable Law. This Disclosure Agreement shall be governed by the laws of the State, and by applicable federal laws.

UNIVERSITY OF CONNECTICUT

By:__________________________________
Name: Lloyd Blanchard, PhD
Title: Interim Vice President for Finance and Chief Financial Officer

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, as Dissemination Agent

By:__________________________________
Name:
Title:

[*Signature Page to Continuing Disclosure Agreement – Sp Ob Student Fee 2022 Refunding Series A*]

EXHIBIT A
To Continuing Disclosure Agreement

NOTICE TO MSRB OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: University of Connecticut (the "University")

Name of Bond Issue:

Date of Issuance:

NOTICE IS HEREBY GIVEN that the University has not yet provided an Annual Report with respect to the above-named Bonds as required by the Continuing Disclosure Agreement by and between the University and U.S. Bank Trust Company, National Association (the "Dissemination Agent") dated as of _______________, ____. The University has informed the Dissemination Agent that the Annual Report will be filed with the Dissemination Agent by _______________.

Dated:____________________

U.S. Bank Trust Company, National Association,
as Dissemination Agent

By:_________________________________
Name:___________________________
Title:____________________________

cc: University

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UNIVERSITY OF CONNECTICUT • SPECIAL OBLIGATION STUDENT FEE REVENUE BONDS, 2022 REFUNDING SERIES A

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