Comprehensive Annual Financial Report

FOR THE YEAR ENDED JUNE 30, 2020

Included as an Enterprise Fund of the State of Connecticut

UCONN | UNIVERSITY OF CONNECTICUT

Comprehensive Annual Financial Report

For the Year Ended June 30, 2020

Included as an Enterprise Fund of the State of Connecticut

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

TABLE OF CONTENTS

INTRODUCTORY SECTION

LETTER OF TRANSMITTAL

December 30, 2020

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

We are pleased to submit to you the Comprehensive Annual Financial Report (CAFR) of the University of Connecticut for the fiscal year ended June 30, 2020. 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.

The CAFR includes the Management's Discussion and Analysis (MD&A), the basic financial statements, notes, other supplementary and statistical information. The CAFR 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 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, 2020, 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 CAFR 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 of the United States and Canada (GFOA). 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 that 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 CAFR 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. The University has won 23 National Championships in four different sports, with 11 coming from the dominant women's basketball team. The University is looking forward to rejoining the Big East Conference in the 2020-2021 season.

Student and Faculty Data

For the 2019-2020 academic year, the number of applications for undergraduate admissions was over 37,000 for just 5,340 seats. Total enrollment in the fall of 2019 was 31,687 students, including nearly 7,800 graduate students. There were 43 states represented in the University's student population, as well as 103 countries.

Of the 23,900 undergraduates, 51 percent were female, and 37 percent were minority students. The University employs 1,537 full-time faculty members and an additional 803 part-time faculty and adjuncts. In 2019-2020, the University awarded 8,623 degrees. Approximately 68 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

The COVID-19 pandemic has precipitated a national and statewide economic downturn. On March 10, 2020, Governor Lamont declared a state of emergency and took measures which were intended to limit the spread of COVID-19 such as restricting social and recreational gatherings, limiting restaurants to take-out and delivery, and requiring closure of all non-essential businesses. At the end of April, Governor Lamont announced a four-stage plan to reopen the State's economy, allowing certain businesses to open under sector-specific rules. Prior to COVID-19, Connecticut was experiencing modest but steady job growth. However, due to the pandemic, the unemployment rate jumped to 10.1 percent in June 2020 from 3.4 percent in March 2020.

In addition to the ongoing pandemic, Connecticut continues to deal with large unfunded pension liabilities. As those costs are passed onto the University through fringe benefit rates, it negatively affects the University's research competitiveness. The University expects to pay about $34.5 million in fiscal year 2021 towards both unfunded pension and retiree health liabilities from non-state funds such as tuition, student fees and other outside revenues.

The University's fiscal year 2020 budget planned on a deficit of $19.6 million to be mitigated through additional salary savings from attrition and fund transfers from prior budgeted projects and other initiatives. Through these mitigating actions, at the six-month mark, the University was on track to end the fiscal year with a small $3.9 million surplus. When the pandemic struck, the University refunded $33.6 million in housing and dining revenue after sending most of the residential students home. This substantial loss was primarily offset through federal CARES Act funding and departmental spending savings attributed to the spending freeze.

Long-Term Financial Planning

The COVID-19 pandemic has negatively impacted the University's budget, leading to an initial projected fiscal year 2021 deficit of $75.5 million. Through the University's mitigation efforts and $20.0 million in support from the State via the federal CARES Act, the remaining deficit is projected to drop to about $7.5 million. The current forecast assumes that students will be back with similar social distancing measures in the spring. The University was at about 40 percent residential capacity for the fall 2020 semester. Though there have been extra expenditures for additional cleaning, testing, tracing, and medical care, these expenditures are relatively small compared to the loss of housing and dining revenues. As this is hopefully a temporary issue, our outlook for fiscal year 2022 is more positive. 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 maintain a balanced budget for its growing operations through increases in student tuition, increases in philanthropy, and reductions in 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. During fiscal year 2016, the University's Board of Trustees approved a four-year tuition plan. Fiscal year 2020 is the final year of that plan. This is the second time that the Board of Trustees has adopted a four-year tuition plan rather than addressing tuition each year. In December 2019, the Board approved the next 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 Philanthropy
Philanthropy is an area of revenue growth for the University and is part of the University's long-term financial planning. The Foundation, which supports both the University and UConn Health, had recorded its highest fundraising total in its history for the fiscal year ended 2020, increasing over 2019 by 25 percent. More than 18,000 alumni and friends invested in the University's future.

Reductions in Spending
Over the last several years, the University has been and will continue to implement spending cuts across

departments, requiring attrition and vacancy savings to achieve cost savings. University departments continue to look for ways to do more with less support while attempting to maintain academic excellence and a high standard of service to our students.

Research Growth
When President Katsouleas arrived at the University in August 2019, he set an ambitious goal of doubling research over the next decade. During fiscal year 2020, University researchers secured $182.4 million in research and sponsored awards, an $18.2 million increase over prior year. This growth is even more encouraging given the emergence of the pandemic. The hope is to bolster the University's reputation as a destination for industry partners, entrepreneurs, and researchers with interest in commercialization.

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, thus there are no University revenues budgeted for payment of these bonds. Since fiscal year 2015, the University has been authorized $1.2 billion in funding for this initiative, with an additional $260.0 million and $190.5 million coming in fiscal years 2021 and 2022, 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 Phase 1 of the Gant Building Renovation, update and renovate various buildings throughout campus, and address needed infrastructure and deferred maintenance improvements.

Despite reductions in operating funding, 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 1,599 at all campuses with a 33 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 2019-2020 academic year include the following:

- For fall 2019, the University ranks 14th out of the top 58 public research universities in graduation rates for all freshmen and 21st for minority freshmen. Furthermore, the University ranks 16th among the national public research universities for freshman retention.

- Among the graduates from the 2018-2019 academic year, 90 percent have a positive outcome including employment, continuing their education, serving in the U.S. Armed Forces, or living or volunteering in the State.

- 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 University students pay less in tuition and join the workforce more quickly.

- In fiscal year 2020, the University provided $126.1 million in tuition funded financial aid, which represents a 9.7 percent increase over last fiscal year. Due to the COVID-19 pandemic, the University received an additional $10.8 million from the Federal government as a part of the CARES Act and distributed to students in need.

- As of this date, from fiscal year 1996 to fiscal year 2020, the University has expended $3.3 billion out of the $3.5 billion of bonds authorized under the UCONN 2000 capital improvement program.

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 9th consecutive year among the nation's top 25 public universities, according to the 2021 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. 26 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.

Finally, the University holds a number of other worthy distinctions among universities domestically and globally. The University occupies the 8th spot (out of 312) on the Sierra Club's 2020 "Cool Schools" ranking. This is due in part because of the University's plan to become carbon neutral by 2050. Furthermore, the University was 11th out of more than 700 universities worldwide, and 2nd in the United States, on the 2019 GreenMetric World University Ranking, which rates universities on their response to sustainability issues.

The GFOA awarded a Certificate of Achievement for Excellence in Financial Reporting to the University for its CAFR for the fiscal year ended June 30, 2019. This was the 4th 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 CAFR. 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 CAFR continues to meet the Certificate of Achievement Program's requirements and will submit its CAFR for the fiscal year ended June 30, 2020, to the GFOA to determine its eligibility for another certificate.

Preparation of this CAFR 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,

Scott Jordan
Executive Vice President for Administration
and Chief Financial Officer

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

University of Connecticut

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

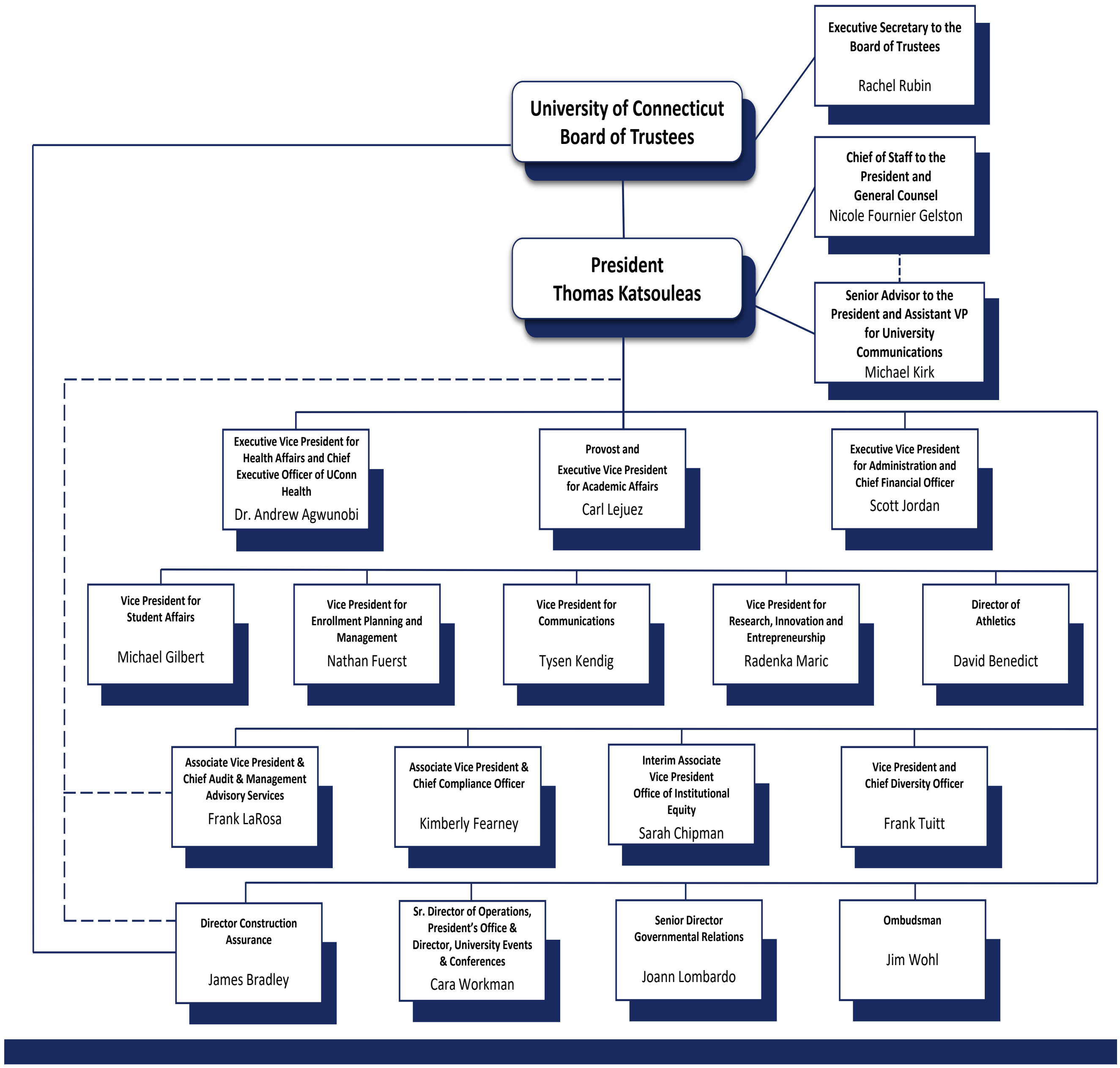
June 30, 2019

Christopher P. Morrill

Executive Director/CEO

UNIVERSITY OF CONNECTICUT
BOARD OF TRUSTEES
As of June 30, 2020

UNIVERSITY OF CONNECTICUT
Organization Chart



FINANCIAL SECTION

STATE OF CONNECTICUT

AUDITORS OF PUBLIC ACCOUNTS

JOHN C. GERAGOSIAN

STATE CAPITOL
20 TRINITY STREET
HARTFORD, CONNECTICUT 06106-1559

ROBERT J. KANE

INDEPENDENT AUDITORS' REPORT

Board of Trustees of the
University of Connecticut

Report on Financial Statements

We have audited the accompanying financial statements 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 statement of net position as of June 30, 2020 and the related statements of revenues, expenses and changes in net position and cash flows for the year then ended, and the related notes to the financial statements, collectively comprise UConn'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.

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 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, the financial statements referred to above present fairly, in all material respects, the financial position of UConn as of June 30, 2020 and the respective changes in financial position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

The accompanying Management's Discussion and Analysis on pages 15 through 25 and the Required Supplementary Information on pages 54 through 56 is 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,

John C. Geragosian
State Auditor

Robert J. Kane
State Auditor

December 30, 2020
State Capitol
Hartford, Connecticut

[This Page Intentionally Left Blank]

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, 2020, and selected comparative information from fiscal year 2019. 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's financial report includes three basic financial statements: a Statement of Net Position; a Statement of Revenues, Expenses, and Changes in Net Position; and a Statement of Cash Flows. 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.

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 received, the expenses paid, 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. Nonoperating revenues are received for which goods and services are not provided but are essential to the programs and services provided by 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, the State's debt service commitment for interest, federal and state financial aid, noncapital gifts, and short-term investment income.

Other changes in net position are composed primarily of the State's debt service commitment for principal, capital grants and gifts, and the athletic conference exit fee (special item).

The Condensed Schedule of Revenues, Expenses, and Changes in Net Position on the following page reflects a decrease in net position at the end of fiscal year 2020. Summarized highlights of the information presented in the Condensed Schedule of Revenues, Expenses, and Changes in Net Position are further detailed in the following sections.

Revenues

Operating revenues decreased $17.3 million in fiscal year 2020 due to decreases in sales and services of auxiliary enterprises and other operating revenues, partially offset by increases in student tuition and fees, net of scholarship allowances, and grants and contracts.

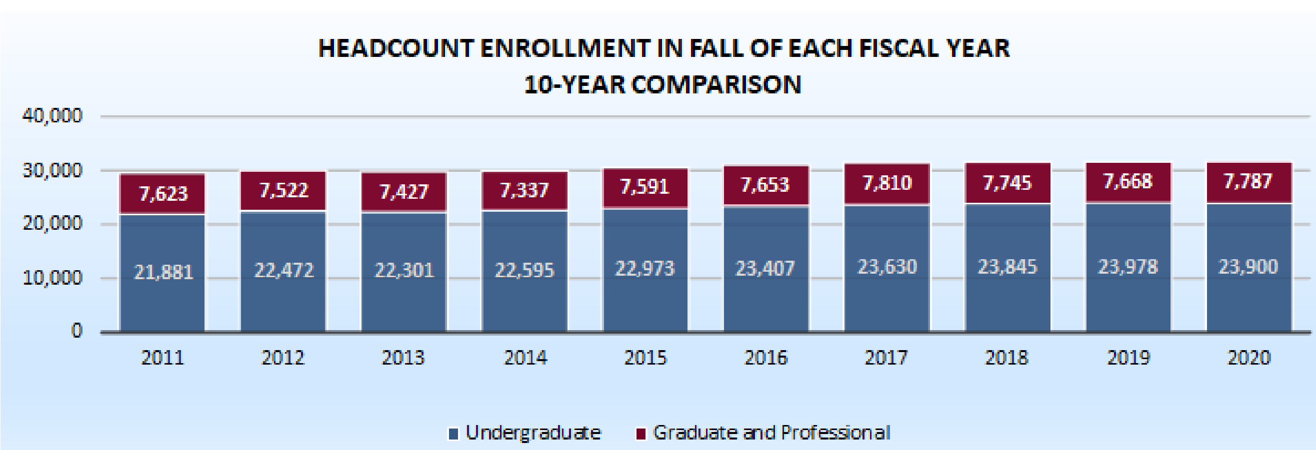
- Student tuition and fees, net of scholarship allowances, increased $25.7 million. This change was mainly attributed to planned tuition increases combined with the new student recreation fee charged in fiscal year 2020, partially offset by increased scholarship allowances. Graduate student enrollment was up slightly by 1.6 percent, offset in part by a decrease in undergraduate enrollment of 0.3 percent.

- 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 operating grants and contracts increased $3.8 million. This amount consisted of an increase of $4.3 million in federal grants and contracts, primarily due to an increase in funding from the U.S. Department of Defense and the U.S. Department of Health and Human Services. State and local grants increased $2.0 million mainly due to additional funding from the Connecticut Office of Health and Strategy, the Connecticut Office of Early Childhood, and the Connecticut Education Network. These increases were partially offset by a reduction in nongovernmental grants of $2.5 million attributed to reduced awards from foundations and private corporations.

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

	2020	2019	$ Change	% Change
Operating Revenues				
Student tuition and fees, net	$ 422.5	$ 396.8	$ 25.7	6.5%
Grants and contracts	166.9	163.1	3.8	2.3%
Sales and services of auxiliary enterprises, net	169.0	211.0	(42.0)	(19.9)%
Other	47.7	52.5	(4.8)	(9.1)%
Total Operating Revenues	806.1	823.4	(17.3)	(2.1)%
Operating Expenses				
Salaries and wages	602.9	569.8	33.1	5.8%
Fringe benefits	597.7	417.7	180.0	43.1%
Supplies and other expenses	258.0	279.6	(21.6)	(7.7)%
Utilities	20.1	21.1	(1.0)	(4.7)%
Depreciation and amortization	117.9	119.3	(1.4)	(1.2)%
Scholarships and fellowships	23.4	11.4	12.0	105.3%
Total Operating Expenses	1,620.0	1,418.9	201.1	14.2%
Operating Loss	(813.9)	(595.5)	(218.4)	36.7%
Nonoperating Revenues (Expenses)				
State appropriation	376.9	356.9	20.0	5.6%
State debt service commitment for interest	79.0	77.3	1.7	2.2%
Federal and state financial aid	64.5	42.2	22.3	52.8%
Gifts, investment income, and other	29.8	40.9	(11.1)	(27.1)%
Interest and other expenses	(73.0)	(72.8)	(0.2)	0.3%
Net Nonoperating Revenues	477.2	444.5	32.7	7.4%
Loss Before Other Changes in Net Position	(336.7)	(151.0)	(185.7)	123.0%
Other Changes in Net Position				
State debt service commitment for principal	-	154.4	(154.4)	(100.0)%
Capital grants and gifts	2.2	3.9	(1.7)	(43.6)%
Additions to permanent endowments	0.2	0.2	-	0.0%
Athletic conference exit fee (Note 18)	(16.4)	-	(16.4)	100.0%
Net Other Changes in Net Position	(14.0)	158.5	(172.5)	(108.8)%
Increase (Decrease) in Net Position	(350.7)	7.5	(358.2)	(4,776.0)%
Net Position – Beginning of Year	98.9	80.2	18.7	23.3%
Prior period adjustment	-	11.2	(11.2)	(100.0)%
Net Position – Beginning of Year, As Restated	98.9	91.4	7.5	8.2%
Net Position – End of Year	$ (251.8)	$ 98.9	$ (350.7)	(354.6)%

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



- Sales and services of auxiliary enterprises, net of scholarship allowances, decreased $42.0 million in fiscal year 2020. This significant reduction in revenues was mainly attributed to the University's closure and suspension of various auxiliary services such as dining, housing, athletics, and parking in response to the COVID-19 pandemic. The University refunded approximately $33.6 million to students for housing and dining credits.

- Other operating revenues decreased $4.8 million, mainly due to COVID-19 closures and restrictions. Revenues were lower for programs such as education abroad, orientation, and other fee for services of educational departments. These decreases were offset in part by increases in renewable energy credits and agreed upon services for UConn Health.

Revenues under nonoperating and other changes in net position decreased $123.2 million, mainly due to decreases in State debt service commitment for principal, gifts, and investment income. These decreases were partially offset by increases in State appropriation and federal and state financial aid.

- State appropriation increased $20.0 million in fiscal year 2020 due to mandatory collective bargaining increases of General Fund employees and increases in fringe benefit reimbursements. Fringe benefit reimbursements increased mainly due to a full year of employees that transferred from the Alternate Retirement Plan to the State Employees' Retirement System (SERS) in accordance with the State Employees' Bargaining Agent Coalition Grievance Award in fiscal year 2019.

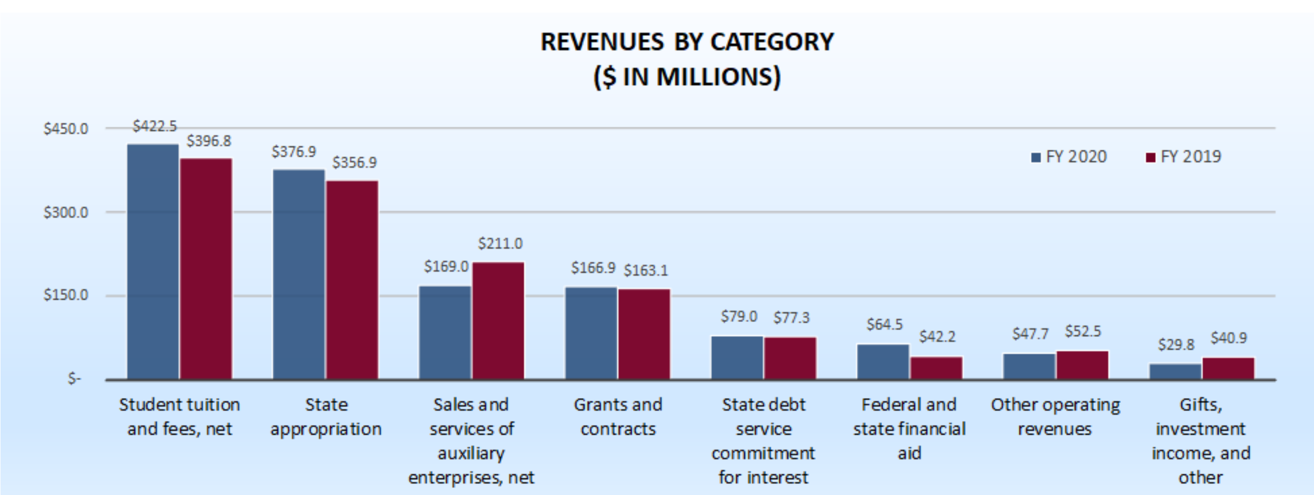
- The State commits to paying for interest incurred on general obligation bonds issued by the University for capital purposes and for UConn Health projects. Effectively, this revenue offsets a significant portion of interest expense each year, and the noted increase in revenue from interest corresponds with a related increase in interest expense. In addition, as general obligation bonds are issued, the State commits to the repayment of the future principal amounts. Revenue related to State debt service commitment for principal decreased $154.4 million, as there were no new general obligation bonds issued in fiscal year 2020.

- Federal and state financial aid increased $22.3 million in fiscal year 2020, mainly due to funding received from the Coronavirus Aid, Relief, and Economic Security (CARES) Act to help reimburse related COVID-19 costs to students and to the University (see Note 1).

- Gifts and investment income decreased $11.1 million. Gifts were lower by $6.4 million, mainly due to a decrease in reimbursement requests from spendable resources held by the University of Connecticut Foundation (Foundation). Investment income decreased $4.1 million, mainly due to lower interest rates and lower average balances from unspent bond proceeds held in the State's short-term investment fund.

- Capital grants and gifts decreased $1.7 million, as there were less Foundation reimbursements in the current year versus prior year for major projects, such as the Stadia and Werth Hall of Fame projects. This decrease was partially offset by reimbursements and gift revenue received on new projects such as the Fine Arts Renovation and the Horse Stables Refurbishment.

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



Expenses

Total operating expenses increased $201.1 million in fiscal year 2020 due to increases in salaries and wages, fringe benefits, and scholarships and fellowships, partially offset by decreases in supplies and other expenses, utilities, and depreciation and amortization.

- Salaries and wages increased $33.1 million, primarily due to average collective bargaining increases of 5.5 percent and a net increase of 1.2 percent in full-time equivalents. The effect of these changes was partially offset by decreases in student labor and dining services that resulted from the slowdown of University operations.

- Fringe benefits increased $180.0 million, largely due to pension and other postemployment benefits (OPEB) expenses under defined benefit plans that increased by $55.6 million and $118.9 million, respectively. These changes were mainly a result of increases in the University's proportions of the collective net pension and net OPEB liabilities for SERS and the State Employee OPEB Plan. OPEB expense also increased due to actuarial assumption changes, which included a decrease in the discount rate.

- The decrease of $21.6 million in supplies and other expenses consisted of the following changes:

  - General expenses related to instruction, research, academic support, operations and maintenance of plant, student services, and institutional support decreased in total by $15.2 million, primarily due to the campus closures, travel restrictions, and spending freezes.

  - Auxiliary enterprises decreased $9.0 million, mainly due to the transfer of facilities maintenance costs from the athletics department to central operations combined with the reduction of dining services and Jorgensen events. Nathan Hale Hotel operations also ceased at the end of fiscal year 2019, resulting in lower expenses. These decreases were offset in part by expenses related to the new student recreation center and student activities.

  - Public Service expenses increased by $2.6 million due to an increase in consulting services related to healthcare technology contracts, offset in part by lower supplies, travel, and other general expenses.

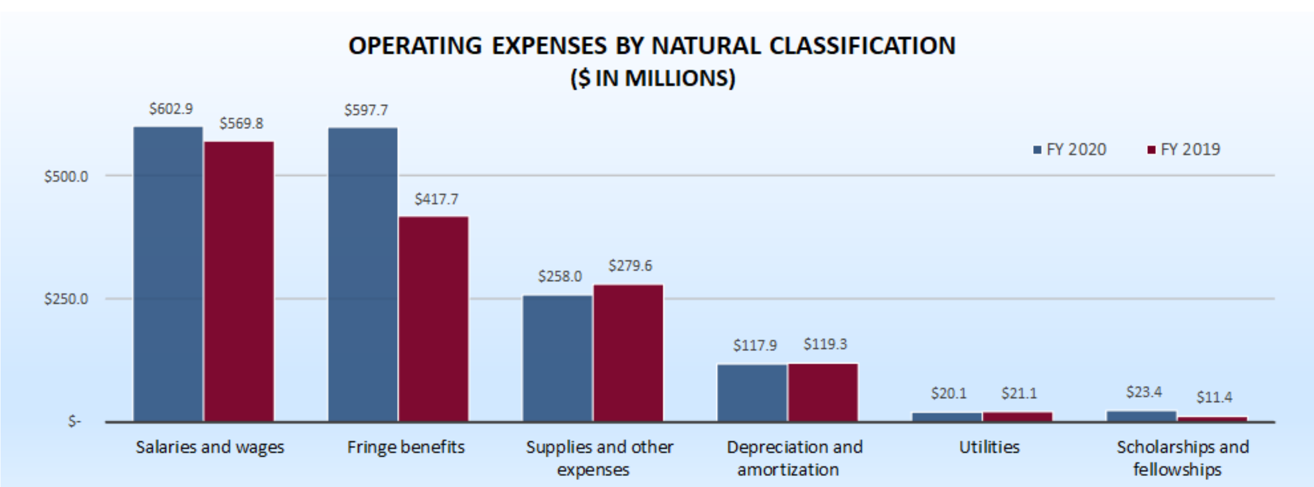
- Utilities expense decreased $1.0 million, due in part to lower oil costs that resulted from a mild winter combined with the Cogeneration Facility switching from natural gas to oil for less time in fiscal year 2020. Natural gas expenses also decreased, primarily attributable to the early campus closure from COVID-19.

- Depreciation and amortization expense decreased $1.4 million, primarily due to buildings on the Depot campus that were fully depreciated by the end of fiscal year 2019. This change was partially offset by an increase in infrastructure assets.

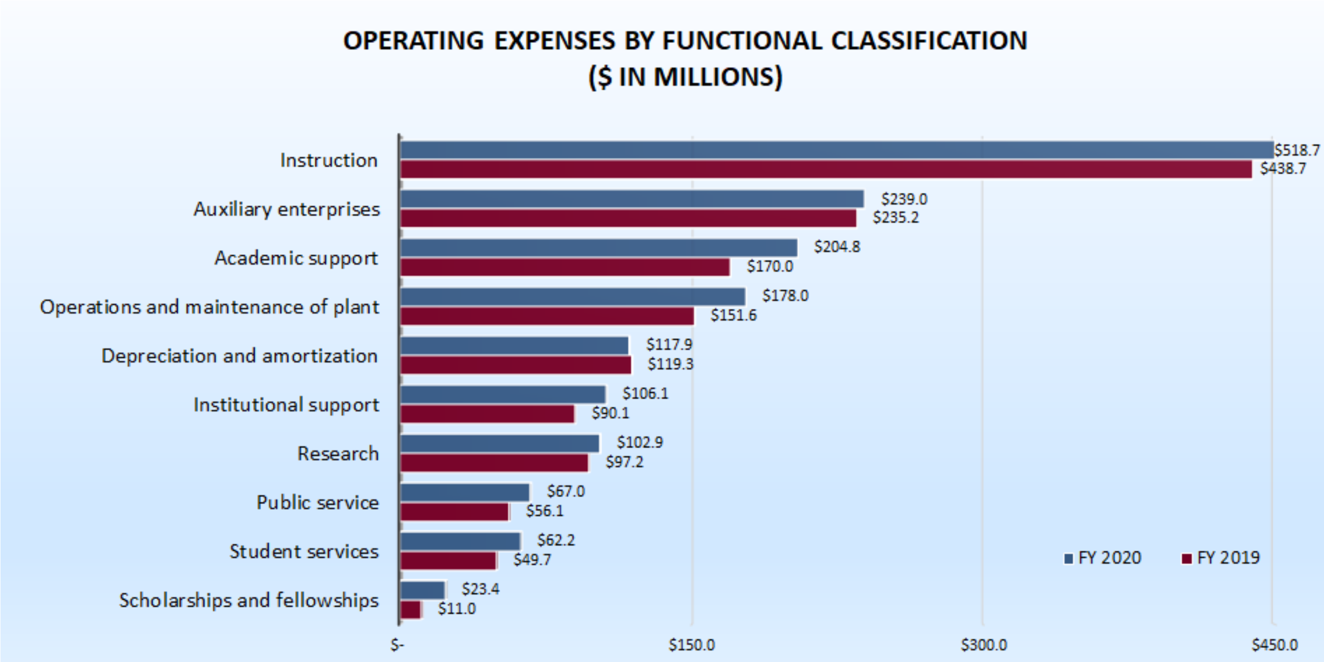
- Scholarships and fellowships increased $12.0 million, primarily due to the CARES Act funding provided to students. This increase was combined with the effects from higher tuition and increases in student financial aid.

Expenses under nonoperating and other changes in net position increased $16.6 million due to the exit fee of $16.4 million for the University's departure from the American Athletic Conference (AAC) in fiscal year 2020 (see Note 18).

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



The University's operating expenses by functional classification are presented below:



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.

Assets

Total assets decreased $300.8 million in fiscal year 2020. This change included a decrease in current assets of $242.0 million, an increase in net property and equipment of $69.7 million, and a decrease in noncurrent assets of $128.5 million.

The decrease in current assets was mainly due to the following changes:

- Cash and cash equivalents decreased $42.9 million, primarily due to capital-related spending from unrestricted sources and a decrease in receipts from sales and services of auxiliary enterprises and educational departments due to the COVID-19 pandemic.
- Amounts due from affiliate decreased $1.8 million, mainly due to the timing of UConn Health payments related to public safety and other services (see Notes 1 and 15).
- Deposits with bond trustee decreased $187.8 million, due to expenditures funded by bond proceeds. There were no new bond issuances in fiscal year 2020.
- The current portion of the State debt service commitment decreased $6.9 million due to variability of debt service payments on general obligation bonds combined with lower interest accrued due to principal paydowns.

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

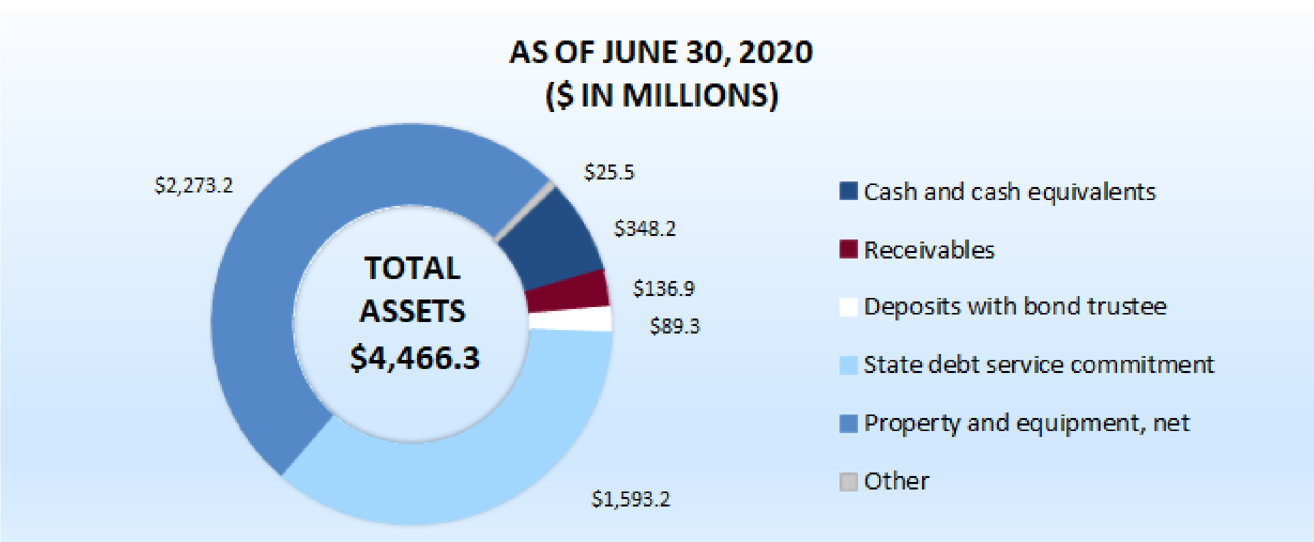
	2020	2019	$ Change	% Change
Assets				
Current assets	$ 730.0	$ 972.0	$ (242.0)	(24.9)%
Property and equipment, net	2,273.2	2,203.5	69.7	3.2%
Other noncurrent assets	1,463.1	1,591.6	(128.5)	(8.1)%
Total Assets	4,466.3	4,767.1	(300.8)	(6.3)%
Deferred Outflows of Resources	1,038.6	410.3	628.3	153.1%
Liabilities				
Current liabilities	420.0	464.7	(44.7)	(9.6)%
Noncurrent liabilities	5,199.6	4,514.8	684.8	15.2%
Total Liabilities	5,619.6	4,979.5	640.1	12.9%
Deferred Inflows of Resources	137.1	99.0	38.1	38.5%
Net Position				
Net investment in capital assets	1,763.7	1,681.7	82.0	4.9%
Restricted nonexpendable	15.1	15.0	0.1	0.7%
Restricted expendable	67.6	201.1	(133.5)	(66.4)%
Unrestricted	(2,098.2)	(1,798.9)	(299.3)	16.6%
Total Net Position	$ (251.8)	$ 98.9	$ (350.7)	(354.6)%

- Prepaid expenses and other assets decreased $2.6 million, primarily due to $5.2 million of conference revenues that were retained by the AAC in fiscal year 2019 and expensed as part of the exit fee in fiscal year 2020. In addition, there were no prepaid team travel expenses in fiscal year 2020. These changes were offset in part by the prepayment of the Big East Conference entrance fee of $3.5 million for fiscal year 2021 (see Note 18).

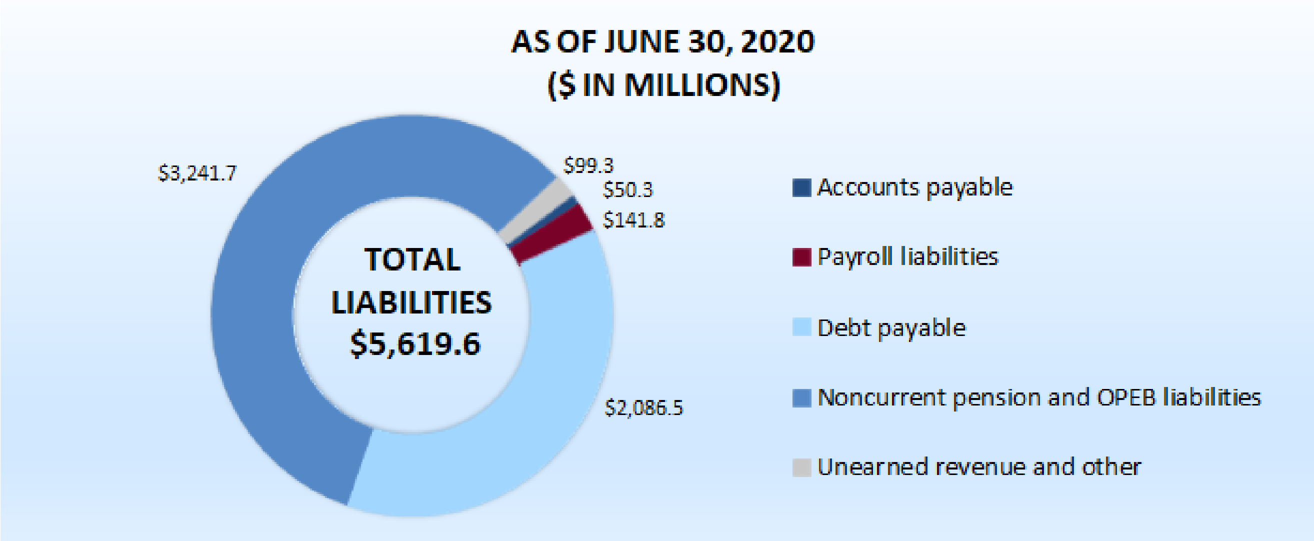
- The net increase in property and equipment included additions of $190.0 million, offset in part by depreciation and amortization of $117.9 million and retirements of $2.4 million. The large additions are mostly due to the University's active construction program.

- The change in noncurrent assets corresponds with the decrease in the long-term portion of the State debt service commitment of $126.2 million, primarily due to principal paydowns of general obligation bonds. The decrease in student and other loans receivable, net, of $1.8 million was attributable to the closeout of the Federal Perkins Loan Program.

The following graph shows total assets by major category:



The following graph shows total liabilities by major category:



Liabilities

Total liabilities increased $640.1 million in fiscal year 2020. This change included a decrease in current liabilities of $44.7 million and an increase in noncurrent liabilities of $684.8 million.

Current liabilities decreased primarily due to reductions in accounts payable, amounts due to affiliate, and the current portion of long-term debt, partially offset by net increases in payroll-related liabilities and unearned revenue.

- Accounts payable decreased $43.8 million. Of this amount, $27.9 million was mainly attributable to amounts owed at the end of the prior fiscal year for capital and deferred maintenance projects, including the Student Recreation Center and Fine Arts Phase 2 – Renovation and Improvements. The portion of the liability for UConn Health projects decreased by $5.6 million due to the final project entering the closeout phase. In addition, accounts payable for education and general operating expenses decreased $10.3 million due in part to reduced spending levels related to COVID-19.

- Amounts due to affiliate represent the liability recorded when UConn 2000 general obligation bonds are sold for the benefit of UConn Health. This balance decreased $3.2 million in fiscal year 2020, primarily a result of expenditures paid for UConn Health capital projects.

- The University's current portion of debt payable also decreased $8.7 million, primarily due to the redemption of the 2010 Special Obligation Student Fee Revenue Bonds and the variability of principal payments due on general obligation bonds.

- The current portion of total payroll liabilities reflected a combined net increase of $7.2 million, mainly due to collective bargaining increases and higher fringe benefit rates.

- Unearned revenue increased $4.3 million, mainly due to an increase in grants advanced from sponsors.

Noncurrent liabilities increased mainly due to changes in net pension and net OPEB liabilities and compensated absences, offset in part by decreases in long-term debt and federal refundable loans.

- Net pension liabilities increased $270.4 million, mainly due to an increase in the University's proportion of the SERS net pension liability. Additionally, the SERS net pension liability increased due to actuarial differences between expected and actual experience. The net OPEB liability increased $577.3 million due to changes in actuarial assumptions and an increase in the University's proportion of the net OPEB liability.

- The long-term portion of compensated absences increased $7.5 million, mainly due to collective bargaining increases and employees using less accrued time during fiscal year 2020.

- The long-term portion of debt decreased $168.2 million as a result of debt repayments, offset in part by additions. See also the Debt Activities section.

- The long-term portion of the federal refundable loans decreased $1.6 million due to the closeout of the Federal Perkins Loan Program.

Deferred Outflows and Deferred Inflows of Resources

Deferred outflows of resources increased $628.3 million, mainly due to components related to the net pension and net OPEB liabilities. Contributions made subsequent to the measurement date increased $17.6 million, changes in proportions increased $332.5 million, and losses from experience and assumption changes increased $275.3 million. Deferred inflows increased $38.1 million, mainly due to experience gains that were deferred in relation to the net OPEB liability recorded as of June 30, 2020, partially offset by the amortization of deferrals.

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, 2020, is a negative $251.8 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 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* and does not reflect the University's resources that are available to meet current obligations (see table below). 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.

The table below demonstrates the effects of GASB 68 and GASB 75 on the University's net position for the fiscal years ended June 30, 2020 and 2019, respectively ($ in millions).

	2020	2019	$ Change	% Change
Net Position				
Net investment in capital assets	$ 1,763.7	$ 1,681.7	$ 82.0	4.9%
Restricted nonexpendable	15.1	15.0	0.1	0.7%
Restricted expendable	67.6	201.1	(133.5)	(66.4)%
Unrestricted	(2,098.2)	(1,798.9)	(299.3)	16.6%
Total Net Position	(251.8)	98.9	(350.7)	(354.6)%
Pension (GASB 68) impact	915.5	790.8	124.7	15.8%
OPEB (GASB 75) impact	1,418.8	1,286.4	132.4	10.3%
Net Position, Excluding Pension and OPEB	$ 2,082.5	$ 2,176.1	$ (93.6)	(4.3)%

The decrease in net position in fiscal year 2020 included the following changes:

- Net investment in capital assets increased $82.0 million. This change was due to a net increase in capital assets of $69.7 million combined with a net decrease of $12.3 million in capital-related debt.
- Restricted nonexpendable increased $0.1 million due to additions to permanent endowments received during fiscal year 2020, offset in part by reductions in endowment investments.
- Restricted expendable under capital projects decreased $127.9 million due to spending down $125.0 million of general obligation bond funds designated for UCONN 2000 projects and $4.5 million of State bond proceeds allocated for the Technology Park. These decreases were offset in part by $1.6 million in additions to the Renewal and Replacement Fund.
- Restricted expendable related to research, scholarships, and other decreased $5.1 million, primarily due to expenditures of grants and one-time gifts received in the prior fiscal year and adjustments for fringe benefit rates charged to grant programs.
- Restricted expendable related to loans decreased $0.5 million, primarily due to the return of institutional funds under the Federal Perkins Loan Program.
- Unrestricted net position decreased $299.3 million, primarily due to pension and OPEB adjustments of $257.1 million. The remaining decrease of $42.2 million was mainly attributed to capital-related spending, the AAC exit fee, and lower revenues from sales and services of auxiliary enterprises and educational departments in fiscal year 2020.

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, will always 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 ($ in millions):

	2020	2019	$ Change	% Change
Land	$ 31.1	$ 20.1	$ 11.0	54.7%
Construction in progress	221.4	279.6	(58.2)	(20.8)%
Art and historical collections	56.7	56.4	0.3	0.5%
Non-structural improvements	310.2	260.3	49.9	19.2%
Buildings and improvements	1,537.7	1,465.7	72.0	4.9%
Intangible assets	20.6	21.6	(1.0)	(4.6)%
Library materials	4.8	5.8	(1.0)	(17.2)%
Equipment	90.7	94.0	(3.3)	(3.5)%
Total Property and Equipment, Net	$ 2,273.2	$ 2,203.5	$ 69.7	3.2%

- Land increased $11.0 million. Additions of $456,000 represent the land portion of the purchase of 88 Gurleyville Road, a previously unrecorded donation of land located in Willington, Connecticut, transfers of $10.6 million representing the reclassification of amounts previously capitalized as buildings at the Stamford and Downtown Hartford campuses, offset by $32,000 representing the sale of the Torrington campus.

- Construction in progress decreased $58.2 million as projects including Student Recreation Center, Fine Arts Phase 2 – Renovation and Improvements and Central Campus Infrastructure Upgrades 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 Gant Building STEM Renovations, CUP Equipment Replacement and Pumping Project, University Athletic District Development, Academic and Research Facilities – STEM Research Center Science 1, and other projects continued construction. Additions to Construction in progress also include net interest costs relating to projects financed by University funded debt.

- Art and historical collections increased by $0.3 million, representing additions.

- Non-structural improvements increased by $49.9 million. Additions totaling $62.2 million included Central Campus Infrastructure Upgrades, Main Campus Parking Replacements, Southeast Campus Infrastructure Upgrades, and other projects. These additions were offset by depreciation expense of $12.1 million and net retirements of $0.2 million.

- Buildings and improvements increased by $72.0 million. Additions of $154.5 million included Student Recreation Center, Fine Arts Phase 2 – Renovation and Improvements, Whitney Hall Dining Renovations, and other renovation projects. These additions were offset by depreciation expense of $80.5 million and net disposals of $2.0 million.

- Intangible assets decreased by $1.0 million. Additions of $4.8 million included long-term software licensing commitments, costs associated with the Concur Travel and Expense project and other software implementations offset by amortization expense of $5.8 million.

- Library materials decreased by $1.0 million. Additions of approximately $0.2 million were offset by $1.2 million in depreciation expense.

- Equipment decreased by $3.3 million. Additions of $15.0 million were offset by depreciation expense and net asset disposals of $18.3 million.

- In June 2020, the University sold the Torrington campus property to a third-party buyer. As part of a purchase and sale agreement, the University transferred buildings and real property (land and improvements), in exchange for $275,000. As part of an additional purchase and sale agreement, the University transferred unimproved land in exchange for $100,000. The University received $1,000 and financed $99,000, which is included in student and other loans receivable, net.

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 for a special capital improvement program (UCONN 2000) designed to modernize and expand the physical plant of the University. As amended, the program provides for a capital budget in three phases for the University and UConn Health, with an estimated total cost of $4.6 billion.

The State has made a commitment to fund the University for all principal and interest payments due on UCONN 2000 general obligation debt. As the general obligation debt is incurred, the commitment from the State is recorded as a current and noncurrent receivable in the Statement of Net Position. There were no general obligation bonds issued or refunded in fiscal year 2020.

Subsequent to June 30, 2020, the University issued a combined total of $279.3 million in UCONN 2000 general obligation bonds, with a closing date of December 17, 2020. Bond proceeds consisting of the par amount together with the original issue premium funded $200.0 million for UCONN 2000 projects and refunded $138.3 million of all or portions of the outstanding balances of previously issued general obligation bonds plus costs of issuance (see Note 19).

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 2020.

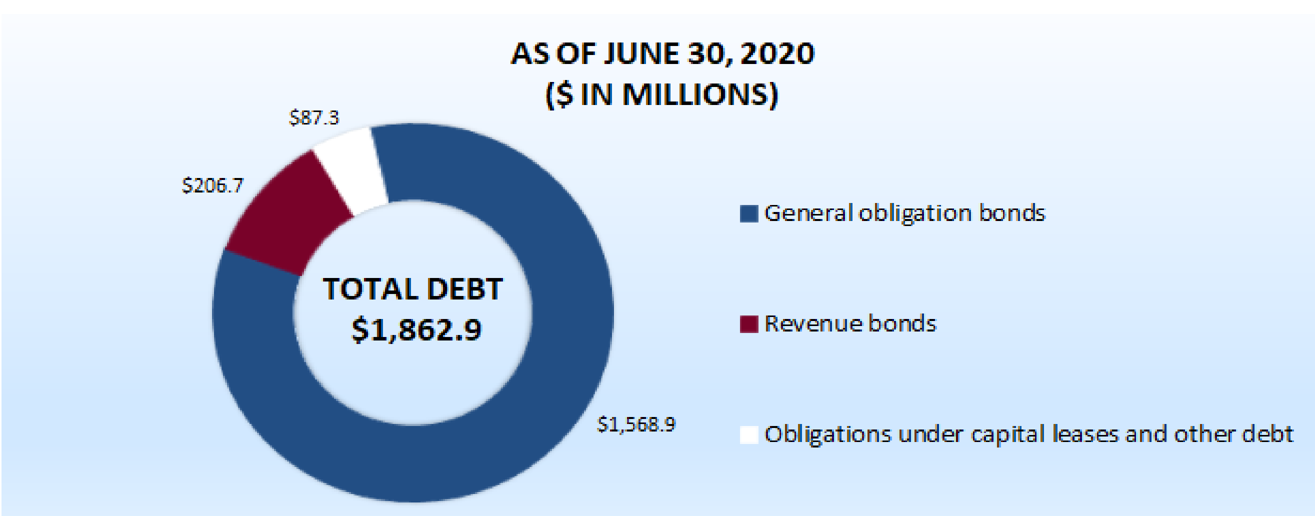
In fiscal year 2020, the University exercised its call option on the Special Obligation Student Fee Revenue Bonds 2010 Refunding Series and redeemed the entire $16.7 million of outstanding principal on the bonds.

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 2020.

In fiscal year 2020, the University assumed a liability under long-term debt of $7.2 million in connection with the University's departure from the AAC. The AAC liability represents the exit fee, discounted for imputed interest and net of the fiscal years 2019 and 2020 conference revenues retained by the AAC (see Note 18).

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

The COVID-19 pandemic has caused tremendous uncertainty and challenges in unprecedented proportions worldwide. As a result of the global pandemic, the University instituted several changes in its operations to ensure the safety and well-being of its students, faculty, and staff, and to adhere to social distancing guidelines. Such changes for the fall 2020 semester included reducing density in classrooms and offering students the option of taking their classes online. In July 2020, the University announced it would lower certain mandatory fees for students who are taking all of their courses online, excluding hybrid courses, and who are not living in University housing. In addition, the University significantly reduced its capacity for on-campus housing at its Storrs and Stamford residence halls. The University also plans for a similar model to be carried out for the spring 2021 semester. Furthermore, due to the financial impact caused by the pandemic, the State plans to provide at least $23.3 million or more in additional federal CARES Act funding to the University in fiscal year 2021. This funding will help offset forgone revenues and for the reimbursement of necessary COVID-19 related expenses incurred in fiscal years 2020 and 2021 (see Note 19).

Salary and fringe benefit costs account for approximately 57 percent of the University's operating budget for fiscal year 2021. Factors that impact these costs include mandatory raises for unionized employees and rising fringe benefit rates attributed to the State's pension and OPEB defined benefit plans. Although the State appropriation funds a portion of salary and fringe benefit costs, the University must utilize non-state resources to cover the remaining share. State support budgeted in fiscal year 2021 includes a block grant and payment for fringe benefits and adjustments of $397.0 million. Due to ongoing financial uncertainty, the University also remains at risk for a 5 percent cut as part of the Governor's rescission authority.

To address fiscal challenges, the University implemented various mitigation strategies and measures that include spending cuts, capital reallocations, and mandatory furlough days for certain non-union managers and senior management. In addition, the University expanded online course offerings and collaborated with two partner institutions to establish programs for students overseas. Planned tuition increases approved by the Board of Trustees in December 2019 will also help offset potential losses.

For the University's capital improvement plan, the Board of Trustees approved a $315.0 million capital budget for fiscal year 2021 that will mostly be financed by general obligation bonds issued under the UCONN 2000 program. The approved capital budget consists mainly of construction and improvements related to academic and science facilities, infrastructure, and high-priority deferred maintenance.

In fiscal year 2021, the University began construction of the Northwest Science Quad, a complex that includes a 198,000-square-foot modern research facility and related amenities. This project 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). The Northwest Science Quad is scheduled to open in the fall semester of 2022.

UNIVERSITY OF CONNECTICUT
STATEMENT OF NET POSITION
As of June 30, 2020

($ in thousands)

	2020
ASSETS	
Current Assets	
Cash and cash equivalents	$ 348,187
Accounts receivable, net	66,620
Student and other loans receivable, net	2,192
Due from State of Connecticut	51,405
Due from affiliate	12,047
State debt service commitment	150,471
Deposits with bond trustee	89,348
Prepaid expenses and other assets	9,748
Total Current Assets	730,018
Noncurrent Assets	
Investments	15,800
Student and other loans receivable, net	4,668
State debt service commitment	1,442,685
Property and equipment, net	2,273,162
Total Noncurrent Assets	3,736,315
Total Assets	4,466,333
DEFERRED OUTFLOWS OF RESOURCES	1,038,594
LIABILITIES	
Current Liabilities	
Accounts payable	50,309
Unearned revenue	42,991
Deposits held for others	2,254
Federal refundable loans	1,771
Wages payable	66,380
Compensated absences	16,279
Due to State of Connecticut	38,632
Due to affiliate	3,689
Current portion of long-term debt and bonds payable	158,629
Other current liabilities	39,127
Total Current Liabilities	420,061
Noncurrent Liabilities	
Compensated absences	20,509
Long-term debt and bonds payable	1,927,877
Federal refundable loans	6,120
Net pension liabilities	1,370,705
Net other post-employment benefits liability	1,871,032
Other liabilities	3,313
Total Noncurrent Liabilities	5,199,556
Total Liabilities	5,619,617
DEFERRED INFLOWS OF RESOURCES	137,083
NET POSITION	
Net investment in capital assets	1,763,712
Restricted nonexpendable	15,132
Restricted expendable	
Research, instruction, scholarships, and other	16,582
Loans	2,180
Capital projects and debt service	48,881
Unrestricted	(2,098,260)
Total Net Position	$ (251,773)

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, 2020

($ in thousands)

	2020
OPERATING REVENUES	
Student tuition and fees, net of scholarship allowances of $182,914	$ 422,519
Federal grants and contracts	125,936
State and local grants and contracts	19,944
Nongovernmental grants and contracts	21,042
Sales and services of educational departments	15,688
Sales and services of auxiliary enterprises, net of scholarship allowances of $8,563	169,016
Other sources	31,960
Total Operating Revenues	806,105
OPERATING EXPENSES	
Salaries and wages	602,873
Fringe benefits	597,737
Supplies and other expenses	257,977
Utilities	20,167
Depreciation and amortization	117,870
Scholarships and fellowships	23,367
Total Operating Expenses	1,619,991
Operating Loss	(813,886)
NONOPERATING REVENUES (EXPENSES)	
State appropriation	376,866
State debt service commitment for interest	78,963
Federal and state financial aid	64,549
Gifts	21,790
Investment income	7,881
Interest expense	(71,102)
Disposal of property and equipment, net	(1,912)
Other nonoperating revenues, net	207
Net Nonoperating Revenues	477,242
Loss Before Other Changes in Net Position	(336,644)
OTHER CHANGES IN NET POSITION	
Capital grants and gifts	2,276
Additions to permanent endowments	171
Athletic conference exit fee (Note 18)	(16,436)
Net Other Changes in Net Position	(13,989)
Decrease in Net Position	(350,633)
NET POSITION	
Net Position – Beginning of Year	98,860
Net Position – End of Year	$ (251,773)

See accompanying notes to basic financial statements.

UNIVERSITY OF CONNECTICUT
STATEMENT OF CASH FLOWS
For the Year Ended June 30, 2020

($ in thousands)

	2020
CASH FLOWS FROM OPERATING ACTIVITIES	
Student tuition and fees	$ 417,090
Grants and contracts	164,488
Sales and services of educational departments	15,575
Sales and services of auxiliary enterprises	159,717
Payments to employees	(593,032)
Payments for benefits	(329,540)
Payments to suppliers and others	(331,173)
Collections of loans to students	1,781
Loans issued to students	(88)
Other cash receipts	34,866
Other cash payments	(36)
Net Cash Used in Operating Activities	(460,352)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
State appropriation	371,523
State debt service commitment related to affiliate	62,720
Federal and state financial aid	64,006
Gifts	28,725
Principal paid on debt and bonds payable related to affiliate	(36,804)
Interest paid on debt and bonds payable related to affiliate	(25,916)
Net Cash Provided from Noncapital Financing Activities	464,254
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
State debt service commitment	149,347
Principal paid on debt and bonds payable	(128,749)
Interest paid on debt and bonds payable	(66,313)
Proceeds from sale of property and equipment	550
Purchases of property and equipment	(208,268)
Capital allocation	5,692
Capital grants and gifts	3,196
Net Cash Used in Capital and Related Financing Activities	(244,545)
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of investments	(187)
Sale of investments	395
Interest on investments	9,723
Deposit with bond trustee	187,783
Net Cash Provided from Investing Activities	197,714
DECREASE IN CASH AND CASH EQUIVALENTS	(42,929)
BEGINNING CASH AND CASH EQUIVALENTS	391,116
ENDING CASH AND CASH EQUIVALENTS	$ 348,187

See accompanying notes to basic financial statements.

UNIVERSITY OF CONNECTICUT
STATEMENT OF CASH FLOWS (Continued)
For the Year Ended June 30, 2020

($ in thousands)

		2020
RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES		
Operating Loss	$	(813,886)
Adjustments to Reconcile Operating Loss to Net Cash		
Used in Operating Activities:		
Depreciation and amortization expense		117,870
Property and equipment		4,204
Investments		178
In-kind workers' compensation		589
Other nonoperating revenues		207
Athletic conference exit fee		(9,243)
Changes in Assets and Liabilities:		
Receivables, net		(10,814)
Student and other loans receivable, net		1,945
Due from affiliate		1,782
Prepaid expenses and other assets		2,625
Deferred outflows of resources		(625,353)
Accounts payable, wages payable, and compensated absences		(10,174)
Unearned revenue		4,279
Deposits held for others		318
Federal refundable loans		(4,090)
Due to State of Connecticut		4,362
Due to affiliate		(9,653)
Net pension and net OPEB liabilities		847,762
Other liabilities		2,910
Deferred inflows of resources		33,830
Net Cash Used in Operating Activities	$	(460,352)

ACCOMPANYING SCHEDULE OF SIGNIFICANT NONCASH TRANSACTIONS		
Amortization of premiums, discounts, and gains and losses on debt refundings	$	19,178
American Athletic Conference exit fee liability		7,194
Conference revenue retained by the American Athletic Conference		4,072
Acquisition of software licenses under long-term purchase contracts		1,920
Capital assets acquired through gifts		841
Realized and unrealized losses on investment		(161)
Net loss on disposal of capital assets with an original cost of $15,135, accumulated depreciation of $12,673, and cash proceeds of $550		(1,912)

See accompanying notes to basic financial statements.

Notes to Financial Statements
For the Year Ended June 30, 2020

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 comprehensive annual financial report for the year ended June 30, 2020, 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 comprehensive annual 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.

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's financial statements include a Statement of Net Position; a Statement of Revenues, Expenses, and Changes in Net Position; and a 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.

Adoption of New Accounting Standards

In May 2020, GASB issued Statement No. 95 (GASB 95), *Postponement of the Effective Dates of Certain Authoritative Guidance*, that provides temporary relief to governments and other stakeholders in light of the novel coronavirus 2019 (COVID-19) pandemic. This objective was accomplished by postponing the effective dates of certain provisions in GASB statements and implementation guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later. The requirements of GASB 95 were effective immediately. As a result, the University delayed the adoption of certain authoritative guidance with various effective dates that were in scope of GASB 95, including the deferral of GASB Statement No. 84, *Fiduciary Activities*, and GASB Statement No. 90, *Majority Equity Interests*, to fiscal year 2021. The

University also postponed the implementation of GASB Statement No. 87, *Leases*, to fiscal year 2022 in accordance with GASB 95.

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, with the exception of 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 consists 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. Due to affiliate includes the unspent portion of general obligation bond proceeds allocated to UConn Health for capital projects that are administered 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.

Inventories

Inventories classified as available for resale are included with prepaid expenses and other assets in the accompanying Statement of Net Position and are valued at cost as determined by the first-in, first-out method. Maintenance and custodial supplies, repair parts, and other general supplies used in daily operations are expensed when purchased.

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 Thomas J. Dodd Research Center 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.

Beginning in fiscal year 2020, the University reports gains and losses on refunded debt separately as deferred inflows of resources and deferred outflows of resources, respectively, in lieu of offsetting gains and losses within deferred outflows. 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 deferred inflows 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.

In order 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 COVID-19 as a pandemic and the Governor of Connecticut declared a civil preparedness and public health emergency. In accordance with the Governor of Connecticut's executive order, the University temporarily closed all non-essential operations and transitioned to online classes for the duration of the spring 2020 semester. As of June 30, 2020, the University refunded a total of $33.6 million to students for a pro rata share of housing and dining fees charged for the period from when the University transitioned students to a distance learning environment for the completion of the 2020 spring semester. The housing and dining refunds were reported as an offset to sales and services of auxiliary enterprises under operating revenues in the accompanying Statement of Revenues, Expenses, and Changes in Net Position for the year ended June 30, 2020.

The Coronavirus Aid, Relief, and Economic Security Act (CARES Act) was passed by U.S. Congress and signed into law by the President of the United States on March 27, 2020. As part of the law, the CARES Act created the Higher Education Emergency Relief Fund (HEERF). Subsequently, the University was awarded $21.5 million, of which 50 percent was disbursed to students as emergency grants to cover expenses due to COVID-19 and the remaining funds were designated to the University to cover a portion of the prorated housing and dining refunds. According to HEERF, an institution can only expend funds associated with changes due to COVID-19 up to the amount provided to students as emergency grants. The CARES Act funds were reported as federal and state financial aid under nonoperating revenues and the emergency grants disbursed to students were reported as scholarships and fellowships under operating expenses in the accompanying Statement of Revenues, Expenses, and Changes in Net Position for the year ended June 30, 2020.

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, 2020 (amounts in thousands):

	2020
Cash and Cash Equivalents	
Cash maintained by State Treasurer	$ 315,901
Invested in STIF	29,625
Other deposits	2,661
Total Cash and Cash Equivalents	348,187
Deposits with Bond Trustee	
Invested in STIF	89,348
Total Deposits with Bond Trustee	89,348
Investments	
Foundation-managed endowments	15,132
UConn Innovations Fund, LLC	668
Total Investments	15,800
Total Cash and Cash Equivalents, Deposits, and Investments	$ 453,335

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 16 days as of June 30, 2020.

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, 2020, deposits with bond trustee included $89.3 million invested in STIF. Of this amount, $11.9 million related to the Renewal and Replacement Fund, an indenture defined account funded with non-bond proceeds. The Trustee Bank's FDIC deposit insurance covers the University's deposits up to $250,000.

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.

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 6.75 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 20 percent for actively managed liquid assets and 5 percent for illiquid assets. 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	60% – 90%
Risk Minimizing	
Global fixed income	10% – 40%
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. The bond mutual funds had effective durations of 0.44 years and a Standard and Poor's rating of BBB totaling $1.8 million and a rating of AAA totaling $56,000. The University endowment's foreign publicly traded equities totaled $597,000 as of June 30, 2020. Private capital investments totaled approximately $381,000 as of June 30, 2020.

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, 2020 (see Note 15).

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 $16.2 million as of June 30, 2020. 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, 2020, was $553,000.

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 as of June 30, 2020 (amounts in thousands):

	2020				
	Level 1	**Level 2**	**Level 3**	**NAV**	**Total**
Foundation-Managed Investments					
Cash and cash equivalents	$ 616	$ -	$ -	$ -	$ 616
Fixed income securities					
Corporate investment grade	1,850	-	-	-	1,850
Equity securities					
Domestic	10,332	-	-	-	10,332
Offshore	597	-	-	-	597
Private capital					
Buyout and venture capital	-	-	-	277	277
Debt	-	-	-	96	96
Royalties	-	-	-	8	8
Long and short equities	-	-	-	1	1
Private real estate	-	-	-	14	14
Private natural resources	-	-	-	321	321
Relative value	-	-	-	1,020	1,020
Total Foundation-Managed Investments	13,395	-	-	1,737	15,132
University-Held Investments					
Other	-	-	-	668	668
Total University-Held Investments	-	-	-	668	668
Total Investments	$ 13,395	$ -	$ -	$ 2,405	$ 15,800

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, 2020 (amounts in thousands):

	2020				
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	$ 382	$ 119	Less than 1 to 8 years	Not applicable	Not redeemable
Private real estate partnerships in commercial, residential, office, and industrial properties	14	35	1 to 3 years	Not applicable	Not redeemable
Natural resource partnerships in energy and timber	321	38	1 to 5 years	Not applicable	Not redeemable
Total	$ 717	$ 192			

NOTE 3. ACCOUNTS AND LOANS RECEIVABLE

Accounts receivable as of June 30, 2020, consisted of the following (amounts in thousands):

	2020
Grants and contracts	$ 48,885
Student and general	25,938
Investment income	505
Allowance for doubtful accounts	(8,708)
Total Accounts Receivable, Net	$ 66,620

The University participates in the U.S. Department of Education Federal Direct Lending Program. Under this program, the University distributed loans of $190.0 million in fiscal year 2020 to students, including those enrolled in UConn Health programs. These distributions and related funding are not reflected as expenses and revenues or as cash disbursements and cash receipts in the accompanying financial statements. The excess of direct loans distributed over funding received from the U.S. Department of Education as of June 30, 2020, was $1.8 million; this amount was included as a receivable under grants and contracts.

The University reported student and other loans receivable of $6.9 million for the fiscal year ended June 30, 2020. This balance is substantially 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 2020 amount is reported net of an allowance for doubtful accounts of $1.1 million at June 30, 2020. See Note 7 for information regarding the closeout of the Federal Perkins Loan Program.

NOTE 4. PROPERTY AND EQUIPMENT

The following table describes the changes in property and equipment for the year ended June 30, 2020 (amounts in thousands):

	Balance July 1, 2019	Additions	Retirements	Transfers	Balance June 30, 2020
Capital Assets Not Being Depreciated					
Land	$ 20,110	$ 456	$ (32)	$ 10,599	$ 31,133
Construction in progress	279,629	78,093	-	(136,346)	221,376
Art and historical collections	56,367	305	-	-	56,672
Total Capital Assets Not Being Depreciated	356,106	78,854	(32)	(125,747)	309,181
Depreciable Capital Assets					
Non-structural improvements	429,343	27,119	(2,388)	35,037	489,111
Buildings and improvements	2,592,773	63,831	(5,640)	90,710	2,741,674
Intangible assets	50,993	4,802	(608)	-	55,187
Library materials	54,971	226	-	-	55,197
Equipment	282,968	15,125	(6,467)	-	291,626
Total Depreciable Capital Assets	3,411,048	111,103	(15,103)	125,747	3,632,795
Less Accumulated Depreciation					
Non-structural improvements	169,059	12,109	(2,220)	-	178,948
Buildings and improvements	1,127,076	80,537	(3,630)	-	1,203,983
Intangible assets	29,353	5,819	(609)	-	34,563
Library materials	49,113	1,251	-	-	50,364
Equipment	189,016	18,154	(6,214)	-	200,956
Total Accumulated Depreciation	1,563,617	117,870	(12,673)	-	1,668,814
Depreciable Capital Assets, Net	1,847,431	(6,767)	(2,430)	125,747	1,963,981
Property and Equipment, Net	$ 2,203,537	$ 72,087	$ (2,462)	$ -	$ 2,273,162

In June 2020, the University sold the Torrington campus property to a third-party buyer. As part of the purchase and sale agreement, the University transferred buildings and real property (land and improvements) in exchange for $275,000. A second agreement included a transfer of unimproved land in exchange for $100,000. An initial deposit of $1,000 was received and the remainder is payable in seven annual installments. The University recorded a loan receivable in the amount of $99,000, $15,000 of which is included in current loans receivable, net, and $84,000 of which is included in noncurrent loans receivable, net, in the accompanying Statement of Net Position. For the year ended June 30, 2020, the University recognized a loss on the sale of $1.0 million, which is included in disposal of property and equipment, net, in the accompanying Statement of Revenues, Expenses, and Changes in Net Position.

The University previously capitalized $10.6 million of land assets as building assets. For the year ended June 30, 2020, an adjustment to properly categorize these assets is included in transfers in the previous table.

The University capitalized $1.5 million of net interest cost for the year ended June 30, 2020.

NOTE 5. UNEARNED REVENUE

As of June 30, 2020, unearned revenue included the following (amounts in thousands):

	2020
Tuition, fees, and other student charges	$ 20,751
Amounts received from grant sponsors	19,575
Athletic tickets, commitments, and other	2,665
Total Unearned Revenue	$ 42,991

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 $4,619.3 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 March 2020, the General Assembly enacted and the Governor signed PA 20-1 that reallocated the authorized debt service commitment funding paid for by the State among the fiscal years 2020 through 2027, but did not change the total debt service commitment amount authorized for UConn 2000 projects.

UCONN 2000 is to be funded in part by the issuance of $4,282.9 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. There were no general obligation bonds issued or refunded in fiscal year 2020.

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. Since there were no general obligation bonds issued or refunded in fiscal year 2020, no State debt service commitment for principal was recognized for the year ended June 30, 2020. 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, 2020, the unspent portion of this balance was $3.7 million. In addition, nonoperating revenue for State debt service commitment for interest on general obligation bonds of $79.0 million was recognized for the year ended June 30, 2020, of which approximately $25.4 million was associated with UConn Health projects. As of June 30, 2020, approximately $514.7 million of the total outstanding principal on general obligation bonds pertained to proceeds used to finance UConn Health projects.

In addition to general obligation bonds, the University may issue special obligation bonds, also called Student Fee Revenue Bonds, which are backed by certain pledged revenues of the University. In November 2019, the University redeemed in advance of maturity the remaining principal balance, totaling $16.7 million, of the 2010 Refunding Series A Special Obligation Student Fee Revenue Bonds. There were no special obligation bonds issued in 2020.

Special obligation bonds are secured by certain pledged revenues as defined in the indenture. In fiscal year 2020, this consisted of gross and net revenues of approximately $83.0 million. Gross pledged revenues include the Infrastructure Maintenance Fee, the General University Fee, and other revenue. Other revenue consists 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. These revenues do not include $10.7 million received from the federal government for the CARES Act in fiscal year 2020. 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, 2020, was $343.5 million. The total amount of $26.8 million for the principal and $10.8 million for the interest was paid on this debt from pledged revenues in fiscal year 2020.

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 (see Note 18). The remaining principal balance of $7.2 million, net of discount for imputed interest at 2.2%, 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, 2020, was as follows (amounts in thousands):

	Balance July 1, 2019	Additions	Retirements	Balance June 30, 2020	Current Portion
General obligation bonds	$ 1,700,180	$ -	$ (131,275)	$ 1,568,905	$ 126,220
Revenue bonds	233,445	-	(26,790)	206,655	5,740
Installment loans	25	-	(25)	-	-
Obligations under capital leases					
Cogeneration Facility	33,466	-	(4,834)	28,632	4,946
Stamford residential facility	45,049	-	(932)	44,117	1,078
Long-term software commitments	7,132	1,920	(1,697)	7,355	2,437
American Athletic Conference exit fee	-	7,194	-	7,194	-
Total Long-Term Debt	2,019,297	9,114	(165,553)	1,862,858	140,421
Premiums and discounts	244,077	-	(20,429)	223,648	18,208
Total Long-Term Debt, Net	$ 2,263,374	$ 9,114	$ (185,982)	$ 2,086,506	$ 158,629

Long-term debt outstanding as of June 30, 2020, consisted of the following (amounts in thousands):

Type of Debt and Issue Date	Original Amount	Maturity Dates Through Fiscal Year	Interest Rate*	2020 Balance
Bonds				
GO 2010 Series A	$ 97,115	2030	3.0-5.0%	$ 48,550
GO 2010 Refunding Series A	36,095	2021	2.25-5.0%	4,840
GO 2011 Series A	179,730	2031	3.515-5.0%	98,835
GO 2011 Refunding Series A	31,905	2023	2.0-5.0%	9,505
GO 2013 Series A	172,660	2034	2.0-5.0%	120,855
GO 2013 Refunding Series A	51,250	2024	2.0-5.0%	29,670
GO 2014 Series A	109,050	2034	2.0-5.0%	76,325
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%	165,125
GO 2015 Refunding Series A	34,625	2026	4.0-5.0%	20,665
GO 2016 Series A	261,510	2036	3.0-5.0%	209,200
GO 2016 Refunding Series A	80,425	2027	4.0-5.0%	25,910
GO 2017 Series A	311,200	2037	2.5-5.0%	264,520
GO 2017 Refunding Series A	33,950	2022	2.5-5.0%	18,050
GO 2018 Series A	276,075	2038	3.0-5.0%	248,470
GO 2019 Series A	174,785	2038	3.0-5.0%	166,045
GO 2019 Refunding Series A	64,680	2028	5.0%	58,265
Total General Obligation Bonds	2,228,160			1,568,905
Rev 2012 Refunding Series A	87,980	2030	1.5-5.0%	67,965
Rev 2018 Series A	141,725	2048	3.0-5.25%	138,690
Total Revenue Bonds	229,705			206,655
Total Bonds	2,457,865			1,775,560
Loans and Other Debt				
Obligations under capital leases				
Cogeneration Facility	81,900	2026	2.22%	28,632
Stamford residential facility	47,000	2042	2.62%	44,118
Long-term software commitments	11,895	various	4.94%	7,354
American Athletic Conference exit fee	7,194	2027	2.20%	7,194
Total Loans and Other Debt	147,989			87,298
Total Bonds, Loans, and Other Debt	$2,605,854			1,862,858
Add: premiums and discounts				223,648
Total Bonds, Loans, and Other Debt, Net				2,086,506
Less: current portion, net				158,629
Total Noncurrent Portion, Net				$1,927,877

***For bonds, the weighted average coupon rates are averaged by year of redemption.**

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
2021	$ 126,220	$ 74,869	$ 201,089	$ 14,201	$ 12,141	$ 26,342	$ 140,421	$ 87,010	$ 227,431
2022	120,970	68,880	189,850	15,091	11,746	26,837	136,061	80,626	216,687
2023	117,155	63,040	180,195	18,116	11,124	29,240	135,271	74,164	209,435
2024	112,765	57,313	170,078	18,308	10,412	28,720	131,073	67,725	198,798
2025	107,630	51,752	159,382	18,519	9,706	28,225	126,149	61,458	187,607
2026-2030	487,400	182,603	670,003	71,219	38,732	109,951	558,619	221,335	779,954
2031-2035	376,225	75,424	451,649	31,880	27,527	59,407	408,105	102,951	511,056
2036-2040	120,540	9,277	129,817	40,322	20,329	60,651	160,862	29,606	190,468
2041-2045	-	-	-	40,907	11,419	52,326	40,907	11,419	52,326
2046-2050	-	-	-	25,390	2,046	27,436	25,390	2,046	27,436
Total	$ 1,568,905	$ 583,158	$ 2,152,063	$ 293,953	$ 155,182	$ 449,135	$ 1,862,858	$ 738,340	$ 2,601,198

NOTE 7. OTHER LONG-TERM LIABILITIES

Long-term liability activity other than debt and bonds payable for the year ended June 30, 2020, was as follows (amounts in thousands):

	Balance July 1, 2019	Additions	Deductions	Balance June 30, 2020	Current Portion
Compensated absences	$ 31,299	$ 9,392	$ (3,903)	$ 36,788	$ 16,279
Federal refundable loans	11,920	-	(4,029)	7,891	1,771
Net pension liabilities	1,100,278	365,303	(94,876)	1,370,705	-
Net OPEB liability	1,293,696	645,497	(68,161)	1,871,032	-
Other liabilities					
Service concession arrangement	4,642	-	(752)	3,890	721
Asset retirement obligation	144	-	-	144	-
Total Other Long-Term Liabilities	$ 2,441,979	$ 1,020,192	$ (171,721)	$ 3,290,450	$ 18,771

The federal refundable loans include the federal 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 $50.1 million, respectively, as of June 30, 2020.

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% annually. The historical cost and accumulated depreciation of the Stamford residential facility were $47.2 million and $4.2 million, respectively, as of June 30, 2020.

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, 2020, under non-cancellable operating leases that exceeded $500,000 each were as follows (amounts in thousands):

Fiscal Year	Payments
2021	$ 4,301
2022	4,278
2023	3,744
2024	3,107
2025	2,960
Thereafter	9,543
Total	$ 27,933

Expenses related to operating lease commitments in excess of $500,000 each were approximately $4.6 million for the fiscal year ended June 30, 2020.

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 Comprehensive Annual Financial Report (CAFR). 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. SERS consists of Tier I, Tier II, Tier IIA, Tier III, Tier IV, and the Hybrid Plan, which are administered by the State Comptroller's Retirement Division under the direction of the State Employees' Retirement Commission.

As of June 30, 2020, approximately 62 percent of the University's eligible employees participate in SERS. Individuals actively employed and participating in the State Alternate Retirement Program (ARP) on September 22, 2010, were eligible to participate in the State Employees' Bargaining Agent Coalition (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, 567 University employees transferred to SERS from ARP during fiscal year 2019. The closing date for this one-time election was December 14, 2018.

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 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, 2020, 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 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 2020 were 38.8 percent and 31.4 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 2020 were $103.2 million and $419,000 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, 2019 and 2018, for SERS and TRS, respectively. The TRS TPL was rolled forward to the measurement date of June 30, 2019.

The TRS TPL as of June 30, 2019, reflects changes of benefit terms in accordance with PA 19-117 that was enacted by the General Assembly and signed by the Governor in June 2019. Beginning July 1, 2019, annual interest credited on mandatory contributions is set at 4 percent. In addition, members retiring on or after July 1, 2019, who have elected a partial refund option with 50 percent of the aggregate benefit paid prior to their death, that is less than their aggregated contributions, will have the difference between such aggregated benefits paid and member contributions paid to the retiree's beneficiary.

Since the prior valuation, the TRS Board of Directors adopted the following changes in assumptions in conjunction with PA 19-117: reduction of the inflation assumption from 2.75 percent to 2.5 percent; reduction of the real rate of return assumption from 5.2 percent to 4.4 percent which, when combined with the inflation assumption change, results in a decrease in the investment rate of return assumption from 8 percent to 6.9 percent; increase of the annual rate of wage increase assumption from 0.50 percent to 0.75 percent; and phase in to a level dollar amortization method for the June 30, 2024 valuation.

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 5.98 percent and 0.04 percent for SERS and TRS, respectively, at the measurement date of June 30, 2019. SERS increased 0.93 of a percentage point from its proportion measured as of June 30, 2018.

The University's proportionate share of the collective NPL at June 30, 2020, and related pension expense for fiscal year 2020 consisted of the following (amounts in thousands):

	SERS	TRS	Total
Proportionate share of the collective NPL	$1,364,546	$ 6,159	$1,370,705
Pension expense	$ 227,752	$ 578	$ 228,330

Deferred Outflows and Deferred Inflows of Resources Related to Pensions. At June 30, 2020, 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	$ 89,571	$ 1,509	$ 91,080
Changes in proportion and differences between University contributions and proportionate share of contributions	181,461	7	181,468
Net differences between projected and actual earnings on pension plan investments	-	103	103
University contributions subsequent to the measurement date	103,218	419	103,637
Difference between expected and actual experience	92,710	-	92,710
Total Deferred Outflows	$466,960	$ 2,038	$468,998
Deferred Inflows of Resources			
Changes in proportion and differences between University contributions and proportionate share of contributions	$ 9,955	$ 403	$ 10,358
Net differences between projected and actual earnings on pension plan investments	3,247	-	3,247
Difference between expected and actual experience	-	154	154
Total Deferred Inflows	$ 13,202	$ 557	$ 13,759

The $103.6 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, 2021. 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
2021	$ 124,216	$ 194	$ 124,410
2022	89,868	150	90,018
2023	56,257	213	56,470
2024	54,581	209	54,790
2025	25,618	208	25,826
Thereafter	-	88	88
Total	$ 350,540	$ 1,062	$ 351,602

At June 30, 2020, the University recorded a payable due to State of $12.6 million in the accompanying Statement of Net Position for the outstanding amount of SERS pension contributions required for the fiscal year ended June 30, 2020.

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, 2010 – June 30, 2015 for TRS, using the following key actuarial assumptions:

	SERS	TRS
Inflation	2.50%	2.50%
Salary increases, including inflation	3.50% – 19.50%	3.25% – 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 RPH-2014 White Collar Table with employee and annuitant rates blended from ages 50 to 80, projected to the year 2020 using the BB improvement scale, and further adjusted to grade in increases (5 percent for females and 8 percent for males) to rates over age 80 for the period after service retirement and for dependent beneficiaries as well as for active members. The RPH-2014 Disabled Mortality Table projected to 2017 using the MP-2014 improvement scale is used for the period after disability retirement.

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, 2019 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	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 employee contributions would be made at the current contribution rates and that employer contributions would be made according to actuarially determined amounts in future years. 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	$1,629,631	$1,364,546	$1,143,423
TRS	$ 7,682	$ 6,159	$ 4,878

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 CAFR for the fiscal year ended June 30, 2019.

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 July 1, 2017, must contribute 6 percent of their eligible compensation, except for participants who elected the one-time option to remain at the previous employee contribution rate of 5 percent, and their employer must contribute 7 percent of eligible compensation. Participants hired on or after July 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 2020 was $13.3 million. At June 30, 2020, the University recorded a payable due to State of $1.9 million in the accompanying Statement of Net Position for the outstanding amount of ARP contributions required for the fiscal year ended June 30, 2020.

Department of Dining Services

The University's Department of Dining Services (DDS) employs 522 full-time staff, of which 58 participate in either SERS or ARP. The remaining 464 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 2020, pension expense was $836,000, net of forfeitures of $26,000, for MPPP, and $43,000 for the 403(b) retirement plan. At June 30, 2020, the University recorded payables for outstanding contributions of $418,000 and $22,000, for MPPP and the 403(b) retirement, respectively, as part of other current liabilities in the accompanying Statement of Net Position.

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 CAFR. 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 16.3 percent and the total amount contributed to the plan was $76.9 million for the fiscal year ended June 30, 2020.

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. The TOL measured since the prior measurement date of June 30, 2018, reflects changes in actuarial assumptions, including a decrease in the discount rate. 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.

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 9.05 percent as of the measurement date of June 30, 2019, which was an increase of 1.55 percentage points from its proportion measured as of June 30, 2018.

The University's proportionate share of the collective NOL at June 30, 2020, and related OPEB expense for fiscal year 2020 are shown below (amounts in thousands):

	SEOPEBP
Proportionate share of the collective NOL	$ 1,871,032
OPEB expense	$ 209,290

At June 30, 2020, 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	$ 76,889
Changes in assumptions	249,945
Changes in proportion	239,380
Total Deferred Outflows	$ 566,214
Deferred Inflows of Resources	
Changes in assumptions	$ 61,968
Changes in proportion	4,375
Net differences between projected and actual earnings on OPEB plan investments	406
Difference between expected and actual experience	47,215
Total Deferred Inflows	$ 113,964

The $76.9 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, 2021. 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
2021	$ 82,679
2022	82,679
2023	89,117
2024	98,414
2025	22,471
Thereafter	-
Total	$ 375,360

At June 30, 2020, the University recorded a payable due to State of $9.0 million in the accompanying Statement of Net Position for the outstanding amount of SEOPEBP contributions required for the year ended June 30, 2020.

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
Payroll growth rate	3.50%
Salary increases	3.25% – 19.50%
Discount rate	3.58% as of June 30, 2019
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 3.95 percent as of June 30, 2018, to 3.58 percent as of June 30, 2019. The projection of cash flows used in calculating the discount rate included employer contributions actuarially determined in accordance with GASB 75 and employee contributions made in accordance with the current SEBAC agreements. The discount rate used is a blend of the long-term expected rate of return on OPEB trust assets and the municipal bond rate. The municipal bond rate is a yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rate of AA/Aa or higher (3.50 percent as of June 30, 2019). 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	$2,177,589	$1,871,032	$1,622,177

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	$1,603,938	$1,871,032	$2,208,154

OPEB plan fiduciary net position. Detailed information about SEOPEBP's fiduciary net position is available in the State's CAFR for the fiscal year ended June 30, 2019.

NOTE 11. DEFERRED OUTFLOWS AND DEFERRED INFLOWS OF RESOURCES

Deferred outflows and deferred inflows of resources consisted of the following as of June 30, 2020 (amounts in thousands):

	2020
Deferred Outflows of Resources	
Accumulated losses on debt refundings	$ 3,251
Amounts related to net pension liabilities	468,998
Amounts related to net OPEB liability	566,214
Amounts related to ARO	131
Total Deferred Outflows of Resources	$ 1,038,594
Deferred Inflows of Resources	
Amounts related to service concession arrangement	$ 5,140
Accumulated gains on debt refundings	4,220
Amounts related to net pension liabilities	13,759
Amounts related to net OPEB liability	113,964
Total Deferred Inflows of Resources	$ 137,083

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 Harford. Barnes & Noble invested $4.0 million to improve and furnish the bookstore facilities.

At June 30, 2020, the University reported bookstore facilities as capital assets with a carrying amount of $7.0 million and a receivable of $525,000, representing June 2020 income. The University also reported a liability of $3.9 million, representing the present value of the lease obligations and utilities, and a deferred inflow of resources of $5.1 million that will be amortized as revenue over the contract term.

NOTE 13. COMMITMENTS

The University had outstanding commitments, in excess of $500,000 each, of $309.5 million as of June 30, 2020. This amount included $292.4 million related to capital projects for the University and $2.2 million related to UCONN 2000 capital projects that are administered by the University for UConn Health. UCONN 2000 expenditures made on behalf of UConn Health offset the due to affiliate liability in the accompanying Statement of Net Position (see Note 6). In addition to the amounts related to capital outlay, approximately $14.9 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 $5.6 million for the fiscal year ended June 30, 2020. The total amount of waivers not reflected in the accompanying financial statements was $67.2 million in fiscal year 2020. 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, 2020, the University recorded $18.0 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. For the year ended June 30, 2020, the University reported a receivable from UConn Health of $12.0 million.

Other sources of operating revenues related to the UConn Health MOUs as of June 30, 2020, contained the following (amounts in thousands):

	2020
Public Safety	$ 8,089
Communications (marketing)	3,947
Library Services	1,950
Technology Commercialization Services	944
Audit, Compliance, Privacy	823
Information Technology	773
Document production	768
Miscellaneous services	740
Revenue from Affiliate	$ 18,034

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, 2020 (amounts in thousands):

	2020
Total expenses incurred for guaranteed contractual services provided by the Foundation	$ 11,205
Reimbursements from the Foundation for operating expenses	$ 414
Accrued capital and noncapital gift and grant revenue from the Foundation	$ 18,127
Amount receivable from the Foundation*	$ 6,291

**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, 2020, consisted of the following (amounts in thousands):

	2020
General Fund appropriation received from the State	$ 197,093
Payments for fringe benefits received from the State	174,685
Increase of General Fund payroll receivable	5,088
Total Appropriation and Payments for Fringe Benefits from the State	$ 376,866

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 No. 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

$4.7 million as of June 30, 2020, 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, 2020, 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 2020, the University paid $150,000 in annual membership dues to MDP.

Fraunhofer Center

In September 2018, the University, Fraunhofer USA, and the Connecticut Department of Economic and Community Development (DECD) entered into two inter-related agreements to support the re-launch of the Fraunhofer Center for Energy Innovation (Center) located on the University campus. The Center, which was legally part of Fraunhofer USA, takes part in the development of advanced technologies related to energy storage, fuel cells, in-steam hydro, and power management and distribution through contract research. Under the agreements, Fraunhofer USA had committed $903,000 and DECD had committed up to $1.2 million through May 31, 2020, and the University had committed to provide at least $903,000 of in-kind contributions to the Center. In May 2020, the parties signed a Memorandum of Agreement (MOA) to not renew the original agreement. The MOA assigns between the parties any contracts, awards, intellectual property, research materials, agreements, and equipment that the Center had been a party to. As of May 31, 2020, the DECD had provided $600,000 in grant revenue to the Center and the University provided $903,000 of in-kind contributions.

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, 2020 (amounts in thousands):

	Salaries and Wages	Fringe Benefits	Supplies and Other Expenses	Utilities	Depreciation and Amortization	Scholarships and Fellowships	Total
Instruction	$ 260,286	$ 228,060	$ 30,126	$ 14	$ -	$ 203	$ 518,689
Research	50,954	26,272	25,277	-	-	356	102,859
Public service	26,109	26,070	14,627	-	-	179	66,985
Academic support	75,044	85,967	44,315	-	-	(567)	204,759
Student services	26,611	28,066	7,559	3	-	4	62,243
Institutional support	38,434	46,015	21,643	-	-	-	106,092
Operations and maintenance	36,008	79,718	46,522	15,761	-	-	178,009
Depreciation and amortization	-	-	-	-	117,870	-	117,870
Scholarships and fellowships	72	24	361	-	-	22,992	23,449
Auxiliary enterprises	89,355	77,545	67,547	4,389	-	200	239,036
Total	$ 602,873	$ 597,737	$ 257,977	$ 20,167	$ 117,870	$ 23,367	$ 1,619,991

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, 2020, a liability in the amount of $6.5 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

The University reported a special item loss of $16.4 million in relation to the University's withdrawal from the American Athletic Conference (AAC) that was effective June 30, 2020. In accordance with the AAC separation agreement, the University agreed to pay an exit fee of $17.0 million. Furthermore, in lieu of a cash payment, the AAC retained the University's share of the fiscal years 2019 and 2020 AAC revenues of $5.2 million and $4.1 million, respectively. The remaining amount owed to the AAC was discounted for imputed interest and reported as a liability under long-term debt. See Note 6 for further details on payment terms.

In addition to the AAC exit fee, the University prepaid a $3.5 million entrance fee to join the Big East Conference, effective July 1, 2020. This amount was included in prepaid and other assets in the accompanying Statement of Net Position for the year ended June 30, 2020.

NOTE 19. SUBSEQUENT EVENTS

Bond Issuances

In December 2020, the University issued General Obligation 2020 Series A Bonds of $160.2 million for UCONN 2000 projects and General Obligation 2020 Refunding Series A Bonds of $119.1 million. The par amount together with the original issue premium of the General Obligation 2020 Refunding Series A Bonds currently refunded $43.7 million of the General Obligation 2010 Series A Bonds, $89.8 million of the General Obligation 2011 Series A Bonds, and $4.8 million of the General Obligation 2011 Refunding Series A Bonds, providing debt service savings. The bond sales closed on December 17, 2020.

COVID-19

Subsequent to year-end, the University reduced certain mandatory fees for the fall 2020 semester for students electing to take all online courses due to COVID-19 and who are not living in University housing. The University also limited its residential housing capacity to approximately 40 percent. The University plans to use a similar approach in response to COVID-19 for the spring 2021 semester.

Additionally, the State plans to provide approximately $23.3 million or more to the University in fiscal year 2021 from funding established under the federal CARES Act. This amount includes at least $22.3 million from the Coronavirus Relief Fund (CRF) and $1.0 million from the Governor's Emergency Education Relief Fund (GEERF). The CRF amount consists of $20.0 million that will offset the pro rata housing and dining refunds of $33.6 million issued to students in spring 2020 and $2.3 million or more will go towards certain eligible COVID-19 related expenses incurred in fiscal years 2020 and 2021. The $1.0 million from GEERF will be used to help stabilize fee revenues impacted by the pandemic in fiscal year 2021.

The continued impact of COVID-19 on social interaction, travel, economies, and financial markets may in the future adversely affect University finances and operations. 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.

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	SERS 2020	2019	2018	2017	2016	2015
Proportion of the collective NPL	5.98%	5.05%	4.78%	4.91%	4.88%	4.51%
Proportionate share of the collective NPL	$ 1,364,546	$ 1,095,530	$ 1,007,992	$ 1,126,394	$ 805,629	$ 722,009
University's covered payroll	$ 227,836	$ 198,089	$ 195,810	$ 200,845	$ 189,903	$ 165,841
Proportionate share of the collective NPL as a percentage of covered payroll	598.92%	553.05%	514.78%	560.83%	424.23%	435.36%
Plan fiduciary net position as a percentage of the total pension liability	36.79%	36.62%	36.25%	31.69%	39.23%	39.54%

Schedule of University Pension Contributions
($ in thousands)

Fiscal Year Ended June 30	SERS 2020	2019	2018	2017	2016	2015
Contractually required employer contribution	$ 103,218	$ 94,410	$ 72,898	$ 73,781	$ 73,668	$ 66,875
Actual University contributions	103,218	94,410	72,898	73,781	73,668	66,875
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -
University's covered payroll	$ 265,921	$ 227,836	$ 198,089	$ 195,810	$ 200,845	$ 189,903
Actual University contributions as a percentage of covered payroll	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 Plan.

Required Supplementary Information
Teachers' Retirement System (TRS)

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

	TRS					
Fiscal Year Ended June 30	2020	2019	2018	2017	2016	2015
Proportion of the collective NPL	0.04%	0.04%	0.03%	0.03%	0.04%	0.04%
Proportionate share of the collective NPL	$ 6,159	$ 4,748	$ 4,717	$ 4,976	$ 4,430	$ 4,090
University's covered payroll	$ 1,148	$ 1,196	$ 1,364	$ 1,372	$ 1,214	$ 1,191
Proportionate share of the collective NPL as a percentage of covered payroll	536.50%	397.07%	345.82%	362.68%	364.91%	343.41%
Plan fiduciary net position as a percentage of the total pension liability	52.00%	57.69%	55.93%	52.26%	59.50%	61.51%

Schedule of University Pension Contributions
($ in thousands)

	TRS					
Fiscal Year Ended June 30	2020	2019	2018	2017	2016	2015
Contractually required employer contribution	$ 419	$ 452	$ 304	$ 135	$ 426	$ 425
Actual University contributions	419	452	304	135	426	425
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -
University's covered payroll	$ 1,334	$ 1,148	$ 1,196	$ 1,364	$ 1,372	$ 1,214
Actual University contributions as a percentage of covered payroll	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 is 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.

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

2020 – Reduction in the inflation assumption from 2.75 percent to 2.50 percent.
– Decrease in the investment rate of return assumption from 8 percent to 6.9 percent.
– Increase the annual rate of wage increase assumption from 0.50 percent to 0.75 percent.
– Phase in to a level 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	2020	2019	2018
Proportion of the collective NOL	9.05%	7.49%	7.39%
Proportionate share of the collective NOL	$ 1,871,032	$ 1,293,696	$ 1,283,941
University's covered payroll	$ 446,237	$ 448,931	$ 435,196
Proportionate share of the collective NOL as a percentage of covered payroll	419.29%	288.17%	295.03%
Plan fiduciary net position as a percentage of the total OPEB liability	5.47%	4.69%	3.03%

Schedule of University OPEB Contributions
($ in thousands)

Fiscal Year Ended June 30	2020	2019	2018
Contractually required employer contribution	$ 76,889	$ 68,115	$ 60,089
Actual University contributions	76,889	68,115	60,089
Contribution deficiency (excess)	$ -	$ -	$ -
University's covered payroll	$ 473,100	$ 446,237	$ 448,931
Actual University contributions as a percentage of covered payroll	16.25%	15.26%	13.38%

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 Assumptions

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

2018, 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.

STATISTICAL SECTION

Statistical Section
Table of Contents

SCHEDULE OF REVENUES BY SOURCE

Last Ten Fiscal Years

($ in thousands)

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Student tuition and fees, net of scholarship allowances	$ 422,519	$ 396,780	$ 386,921	$ 367,351	$ 341,809	$ 308,174	$ 279,577	$ 261,641	$ 251,017	$ 233,881
Federal grants and contracts	125,936	121,593	106,561	100,397	104,725	93,807	95,187	96,528	102,814	101,090
State and local grants and contracts	19,944	17,959	19,441	16,931	21,200	20,823	20,170	16,629	11,566	14,497
Nongovernmental grants and contracts	21,042	23,577	18,386	28,005	19,490	20,535	14,619	15,212	13,141	11,367
Sales and services of educational departments	15,688	22,710	23,708	20,325	20,543	21,028	19,280	15,814	17,348	16,161
Sales and services of auxiliary enterprises, net of scholarship allowances	169,016	211,036	210,990	209,851	210,455	201,066	195,525	185,240	181,974	178,494
Other sources	31,960	29,750	14,009	11,909	10,758	12,263	10,168	8,114	6,229	6,447
Total Operating Revenues	806,105	823,405	780,016	754,769	728,980	677,696	634,526	599,178	584,089	561,937
State appropriation	376,866	356,898	342,987	374,113	384,747	350,699	308,069	288,456	282,370	328,951
State debt service commitment for interest	78,963	77,333	70,740	64,757	53,092	46,635	42,091	40,571	39,755	39,978
Federal and state financial aid	64,549	42,222	37,986	34,800	38,968	35,684	32,647	31,456	32,176	37,601
Gifts	21,790	28,185	19,732	23,628	25,380	23,828	21,703	19,996	24,377	21,168
Investment income	7,881	11,957	6,059	2,996	1,448	889	799	859	898	1,020
Other nonoperating revenues, net	207	745	-	-	-	-	-	352	-	-
Total Nonoperating Revenues	550,256	517,340	477,504	500,294	503,635	457,735	405,309	381,690	379,576	428,718
	$ 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**	**$ 990,655**

(% of total revenues)

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Student tuition and fees, net of scholarship allowances	31.1%	29.6%	30.8%	29.3%	27.7%	27.1%	26.9%	26.8%	26.1%	23.7%
Federal grants and contracts	9.3%	9.1%	8.5%	8.0%	8.5%	8.3%	9.2%	9.8%	10.7%	10.2%
State and local grants and contracts	1.5%	1.3%	1.5%	1.3%	1.6%	1.8%	1.9%	1.7%	1.2%	1.5%
Nongovernmental grants and contracts	1.6%	1.8%	1.4%	2.2%	1.6%	1.8%	1.4%	1.6%	1.4%	1.1%
Sales and services of educational departments	1.2%	1.7%	1.9%	1.6%	1.7%	1.9%	1.9%	1.6%	1.8%	1.6%
Sales and services of auxiliary enterprises, net of scholarship allowances	12.4%	15.7%	16.8%	16.7%	17.1%	17.7%	18.8%	18.9%	18.9%	18.0%
Other sources	2.4%	2.2%	1.1%	0.9%	0.9%	1.1%	1.0%	0.8%	0.6%	0.7%
Total Operating Revenues	59.5%	61.4%	62.0%	60.0%	59.1%	59.7%	61.1%	61.2%	60.7%	56.8%
State appropriation	27.8%	26.6%	27.3%	29.9%	31.2%	30.9%	29.6%	29.4%	29.3%	33.2%
State debt service commitment for interest	5.8%	5.8%	5.6%	5.2%	4.3%	4.1%	4.0%	4.1%	4.1%	4.0%
Federal and state financial aid	4.7%	3.1%	3.0%	2.8%	3.2%	3.1%	3.1%	3.2%	3.3%	3.8%
Gifts	1.6%	2.1%	1.6%	1.9%	2.1%	2.1%	2.1%	2.0%	2.5%	2.1%
Investment income	0.6%	0.9%	0.5%	0.2%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%
Other nonoperating revenues, net	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total Nonoperating Revenues	40.5%	38.6%	38.0%	40.0%	40.9%	40.3%	38.9%	38.8%	39.3%	43.2%
	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)

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Salaries and wages	$ 602,873	$ 569,872	$ 569,359	$ 556,411	$ 557,497	$ 542,082	$ 521,076	$ 482,685	$ 474,385	$ 472,725
Fringe benefits	597,737	417,689	338,545	349,328	287,553	271,164	237,715	190,549	172,765	168,133
Supplies and other expenses	257,977	279,602	264,456	245,357	245,871	217,413	211,654	205,774	190,442	208,789
Utilities	20,167	21,063	19,655	19,039	19,737	23,212	20,963	19,725	21,684	26,506
Depreciation and amortization	117,870	119,346	108,185	104,807	98,767	95,990	95,377	91,713	88,478	90,335
Scholarships and fellowships	23,367	11,409	8,870	11,791	12,437	10,713	10,953	8,070	9,039	9,910
Total Operating Expenses	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	976,398
Interest expense	71,102	70,460	64,672	59,129	51,333	46,420	45,955	46,961	47,117	48,824
Transfers to State General Fund	-	-	-	-	-	-	-	-	-	15,000
Disposal of property and equipment, net	1,912	2,345	1,524	1,418	8,486	473	1,043	(103)	540	618
Other nonoperating expenses, net	-	-	2,475	1,776	3,893	1,540	1,873	-	1,635	297
Total Nonoperating Expenses	73,014	72,805	68,671	62,323	63,712	48,433	48,871	46,858	49,292	64,739
	$ 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**	**$ 1,041,137**

(% of total expenses)

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Salaries and wages	35.6%	38.2%	41.3%	41.2%	43.3%	44.8%	45.4%	46.1%	47.1%	45.5%
Fringe benefits	35.3%	28.0%	24.6%	25.9%	22.4%	22.5%	20.7%	18.2%	17.2%	16.1%
Supplies and other expenses	15.2%	18.7%	19.2%	18.2%	19.1%	18.1%	18.5%	19.7%	18.8%	20.0%
Utilities	1.2%	1.4%	1.4%	1.4%	1.5%	1.9%	1.8%	1.9%	2.2%	2.5%
Depreciation and amortization	7.0%	8.0%	7.9%	7.8%	7.7%	7.9%	8.3%	8.8%	8.8%	8.7%
Scholarships and fellowships	1.4%	0.8%	0.6%	0.9%	1.0%	0.9%	1.0%	0.8%	0.9%	1.0%
Total Operating Expenses	95.7%	95.1%	95.0%	95.4%	95.0%	96.1%	95.7%	95.5%	95.0%	93.8%
Interest expense	4.2%	4.7%	4.7%	4.4%	4.0%	3.8%	4.0%	4.5%	4.7%	4.7%
Transfers to State General Fund	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	1.4%
Disposal of property and equipment, net	0.1%	0.2%	0.1%	0.1%	0.7%	0.0%	0.1%	0.0%	0.1%	0.1%
Other nonoperating expenses, net	0.0%	0.0%	0.2%	0.1%	0.3%	0.1%	0.2%	0.0%	0.2%	0.0%
Total Nonoperating Expenses	4.3%	4.9%	5.0%	4.6%	5.0%	3.9%	4.3%	4.5%	5.0%	6.2%
	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)

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Instruction	$ 518,689	$ 438,702	$ 419,691	$ 419,251	$ 390,364	$ 382,256	$ 353,251	$ 302,202	$ 291,370	$ 292,203
Research	102,859	97,258	88,469	80,953	80,070	73,596	79,484	74,948	73,509	74,481
Public service	66,985	56,081	49,417	53,116	53,903	48,884	41,919	39,068	35,478	41,470
Academic support	204,759	170,050	147,264	138,912	139,643	131,914	125,557	117,679	108,340	98,393
Student services	62,243	49,730	44,856	40,087	38,916	36,955	36,787	33,315	35,256	39,755
Institutional support	106,092	90,086	75,357	74,226	66,580	57,330	54,484	51,358	53,465	84,744
Operations and maintenance of plant	178,009	151,589	138,184	137,259	122,034	114,889	105,148	94,961	100,402	71,365
Depreciation and amortization	117,870	119,346	108,185	104,807	98,767	95,990	95,377	91,713	88,478	90,335
Scholarships and fellowships	23,449	10,979	8,232	10,306	9,748	9,127	8,796	7,154	6,107	5,490
Auxiliary enterprises	239,036	235,160	229,415	227,816	221,837	209,633	196,935	186,118	164,388	158,422
Other operating expenses	-	-	-	-	-	-	-	-	-	19,740
Interest expense	71,102	70,460	64,672	59,129	51,333	46,420	45,955	46,961	47,117	48,824
Transfers to State General Fund	-	-	-	-	-	-	-	-	-	15,000
Disposal of property and equipment, net	1,912	2,345	1,524	1,418	8,486	473	1,043	(103)	540	618
Other nonoperating expenses, net	-	-	2,475	1,776	3,893	1,540	1,873	-	1,635	297
	$ 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**	**$ 1,041,137**

(% of total expenses)

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Instruction	30.5%	29.4%	30.5%	31.1%	30.3%	31.7%	30.7%	28.8%	28.9%	28.1%
Research	6.1%	6.5%	6.4%	6.0%	6.2%	6.1%	6.9%	7.2%	7.3%	7.2%
Public service	4.0%	3.8%	3.6%	3.9%	4.2%	4.0%	3.7%	3.7%	3.5%	4.0%
Academic support	12.1%	11.4%	10.7%	10.2%	10.8%	10.9%	10.9%	11.3%	10.8%	9.4%
Student services	3.7%	3.3%	3.3%	3.0%	3.0%	3.1%	3.2%	3.2%	3.5%	3.8%
Institutional support	6.3%	6.0%	5.5%	5.5%	5.2%	4.7%	4.8%	4.9%	5.3%	8.1%
Operations and maintenance of plant	10.5%	10.2%	10.0%	10.2%	9.5%	9.5%	9.2%	9.1%	10.0%	6.9%
Depreciation and amortization	7.0%	8.0%	7.8%	7.8%	7.7%	7.9%	8.3%	8.8%	8.8%	8.7%
Scholarships and fellowships	1.4%	0.7%	0.6%	0.8%	0.8%	0.8%	0.8%	0.7%	0.6%	0.5%
Auxiliary enterprises	14.1%	15.8%	16.6%	16.9%	17.3%	17.4%	17.2%	17.8%	16.3%	15.2%
Other operating expenses	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	1.9%
Interest expense	4.2%	4.7%	4.7%	4.4%	4.0%	3.8%	4.0%	4.5%	4.7%	4.7%
Transfers to State General Fund	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	1.4%
Disposal of property and equipment, net	0.1%	0.2%	0.1%	0.1%	0.7%	0.0%	0.1%	0.0%	0.1%	0.1%
Other nonoperating expenses, net	0.0%	0.0%	0.2%	0.1%	0.3%	0.1%	0.2%	0.0%	0.2%	0.0%
	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)

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Total revenues	$ 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	$ 990,655
Total expenses	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	1,041,137
Loss Before Other Changes in Net Position	(336,644)	(151,041)	(120,221)	(93,993)	(52,959)	(73,576)	(106,774)	(64,506)	(42,420)	(50,482)
State debt service commitment for principal	-	154,405	187,269	281,576	103,400	56,430	80,346	-	115,400	-
Capital allocation	-	-	-	-	-	131,500	(20)	20,000	18,000	(479)
Capital grants and gifts	2,276	3,907	5,099	1,388	5,071	25,412	21,643	6,675	2,768	1,989
Additions to permanent endowments	171	171	338	1,149	14	66	743	13	-	-
Athletic Conference Exit Fee	(16,436)									
Total Changes in Net Position	(350,633)	7,442	72,485	190,120	55,526	139,832	(4,062)	(37,818)	93,748	(48,972)
Net position, beginning	-	80,228	1,243,245	1,053,125	997,599	1,435,360	1,439,422	1,477,240	1,395,355	1,444,327
Prior period adjustment	-	11,190 (1)	(1,235,502) (2)	-	-	(577,593) (3)	-	-	(11,863) (4)	-
Net Position, Ending	**$ (350,633)**	**$ 98,860**	**$ 80,228**	**$ 1,243,245**	**$ 1,053,125**	**$ 997,599**	**$ 1,435,360**	**$ 1,439,422**	**$ 1,477,240**	**$ 1,395,355**
Net investment in capital assets	$ 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	$ 1,144,923
Restricted nonexpendable	15,132	15,005	15,044	14,483	12,593	13,091	13,546	11,902	11,574	11,892
Restricted expendable										
Research, instruction, scholarships and other	16,582	21,716	32,273	34,058	24,455	19,334	15,465	20,602	19,535	17,915
Loans	2,180	2,608	2,566	2,543	2,520	2,533	2,482	2,469	2,426	2,818
Capital projects and debt service	48,881	176,785	134,453	89,146	49,637	184,023	85,447	33,551	115,315	42,433
Unrestricted	(2,098,260)	(1,798,911)	(1,786,425)	(454,454)	(401,998)	(429,274)	130,818	153,490	168,174	175,374
Total Net Position	**$ (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**

(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)

	2020	**2019**	**2018**	**2017**	**2016**	**2015**	**2014**	**2013**	**2012**	**2011**
General obligation bonds	$ 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	$ 804,310
Revenue bonds	206,655	233,445	240,980	105,955	112,410	118,625	124,615	130,415	154,170	159,290
Self-liquidating bonds	-	-	-	-	275	349	551	1,050	2,171	2,953
Capital lease obligations	72,749	78,515	84,199	42,818	47,229	51,398	55,437	59,320	62,785	66,098
Long-term software commitments	7,355	7,132	-	-	-	-	-	-	-	-
Installment loans and other	-	25	62	117	5,487	671	1,027	1,319	1,727	150
American Athletic Conference exit fee	7,194	-	-	-	-	-	-	-	-	-
	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	1,032,801
Premiums and discounts	223,648	244,077	229,155	201,858	172,757	134,213	107,074	82,980	46,320	25,849
Total Long-Term Debt	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	1,058,650
Less: State debt service commitment for general obligation bonds	(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)	(804,310)
Total Long-Term Debt, Net	$ 517,601	$ 563,194	$ 554,396	$ 350,748	$ 338,158	$ 305,256	$ 288,704	$ 275,084	$ 267,173	$ 254,340
Full-time equivalent students*	29,530	28,646	29,424	29,220	28,832	28,134	27,461	27,036	27,240	26,686
Outstanding debt per student	$ 17,528	$ 19,660	$ 18,842	$ 12,004	$ 11,729	$ 10,850	$ 10,513	$ 10,175	$ 9,808	$ 9,531

**Source: IPEDS (Integrated Postsecondary Education Data System) 12-month Instructional Activity surveys for fiscal years 2011 to 2020, including Storrs and Regional Campuses.*

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
2020	$ 63,018	$ 143,974	$ (124,017)	$ 19,957	$ 82,975	$ (37,542)	2.21
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
2011	42,022	144,790	(113,620)	31,170	73,192	(12,664)	5.78

(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.

ADMISSIONS AND ENROLLMENT
Last Ten Fiscal Years

FRESHMEN ADMISSIONS (STORRS)	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**	**2014**	**2013**	**2012**	**2011**
Applications	35,096	34,886	34,198	35,980	34,978	31,280	27,479	29,966	27,247	22,142
Offers of admission	17,346	17,015	16,360	17,560	18,598	15,629	14,745	13,397	12,894	11,949
Percent admitted	49%	49%	48%	49%	53%	50%	54%	45%	47%	54%
Enrolled	3,603	3,749	3,683	3,822	3,774	3,588	3,755	3,114	3,327	3,339
Yield (enrolled/offers)	21%	22%	23%	22%	20%	23%	25%	23%	26%	28%
Total average SAT	1,296	1,306	1,294	1,233	1,233	1,234	1,233	1,226	1,216	1,221

ENROLLMENT	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**	**2014**	**2013**	**2012**	**2011**
Non-Resident Alien										
Male	2,232	2,110	2,001	1,890	1,773	1,532	1,301	1,163	1,018	924
Female	1,990	1,917	1,847	1,665	1,462	1,277	1,077	1,012	892	787
Black or African American										
Male	984	944	885	874	813	756	722	723	756	709
Female	1,261	1,211	1,153	1,098	1,053	1,010	981	1,017	1,007	963
American Indian or Alaska Native										
Male	14	22	16	19	18	18	25	25	28	33
Female	16	25	27	25	28	27	29	31	40	41
Asian										
Male	1,512	1,500	1,497	1,475	1,372	1,315	1,213	1,194	1,159	1,119
Female	1,688	1,606	1,556	1,467	1,419	1,333	1,189	1,106	1,108	1,060
Hispanic/Latino										
Male	1,643	1,568	1,477	1,386	1,293	1,233	1,132	1,059	1,006	889
Female	2,202	2,014	1,800	1,616	1,468	1,393	1,315	1,206	1,149	1,095
Native Hawaiian or Other Pacific Islander										
Male	5	8	10	8	8	10	8	12	14	11
Female	11	11	13	12	13	13	16	17	14	11
Two or More Races										
Male	454	430	394	364	330	301	258	238	170	96
Female	508	476	464	442	412	408	381	300	197	90
White										
Male	8,520	8,821	9,089	9,518	9,809	9,916	10,183	10,416	10,795	10,913
Female	8,647	8,983	9,361	9,581	9,789	10,022	10,102	10,209	10,641	10,763
Total Head Count	31,687	31,646	31,590	31,440	31,060	30,564	29,932	29,728	29,994	29,504
Percent female	51.5%	51.3%	51.3%	50.6%	50.4%	50.7%	50.4%	50.1%	50.2%	50.2%
Percent minority	32.5%	31.0%	29.4%	27.9%	26.5%	25.6%	24.3%	23.3%	22.2%	20.7%
Percent non-resident alien	13.3%	12.7%	12.2%	11.3%	10.4%	9.2%	7.9%	7.3%	6.4%	5.8%

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 Institutional Research and Effectiveness

ACADEMIC YEAR TUITION AND MANDATORY FEES

Last Ten Fiscal Years

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Undergraduate resident	$ 17,226	$ 15,730	$ 14,880	$ 14,066	$ 13,366	$ 12,700	$ 12,022	$ 11,242	$ 10,670	$ 10,416
Undergraduate non-resident	$ 39,894	$ 38,098	$ 36,948	$ 35,858	$ 34,908	$ 32,880	$ 30,970	$ 29,074	$ 27,566	$ 26,880
Graduate resident	$ 19,056	$ 17,660	$ 16,810	$ 15,996	$ 15,296	$ 14,472	$ 13,662	$ 12,786	$ 12,130	$ 11,828
Graduate non-resident	$ 40,968	$ 39,272	$ 38,122	$ 37,032	$ 36,082	$ 33,944	$ 31,946	$ 29,994	$ 28,438	$ 27,740

DEGREES CONFERRED

Last Ten Fiscal Years

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Associate	26	16	21	30	24	20	21	26	25	29
Bachelor's	5,731	5,656	5,618	5,530	5,197	5,320	5,200	5,122	5,149	4,747
Post-baccalaureate	395	369	299	251	229	167	172	140	141	102
Master's	1,774	1,895	2,048	1,904	1,750	1,713	1,636	1,527	1,573	1,475
Sixth-year education	50	54	51	62	66	69	45	56	79	67
Ph.D.	382	418	384	411	379	372	342	340	341	322
J.D.	141	108	89	155	151	156	190	178	204	172
LL.M.	50	53	42	43	44	31	35	30	30	29
Pharm D.	74	92	98	101	99	95	97	94	94	103
Total	8,623	8,661	8,650	8,487	7,939	7,943	7,738	7,513	7,636	7,046

Includes May graduates of the current calendar year, and August and December graduates of the previous calendar year.
Source: University of Connecticut Office of Institutional Research and Effectiveness
Certain degrees conferred numbers have been revised for 2019.

FACULTY AND STAFF

Fall Employment
Last Ten Fiscal Years

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
FACULTY										
Full-time	1,537	1,540	1,545	1,518	1,489	1,517	1,485	1,377	1,330	1,304
Part-time	54	51	53	32	30	33	34	39	43	43
Total Faculty	1,591	1,591	1,598	1,550	1,519	1,550	1,519	1,416	1,373	1,347
Tenured	887	858	854	841	848	877	874	848	841	815
Percentage tenured	56%	54%	53%	54%	56%	57%	58%	60%	61%	61%
STAFF										
Full-time	3,297	3,228	3,109	3,198	3,115	3,080	3,063	3,028	2,956	3,017
Part-time	144	150	150	82	158	186	175	180	181	222
Total Staff	3,441	3,378	3,259	3,280	3,273	3,266	3,238	3,208	3,137	3,239
Total Faculty and Staff	5,032	4,969	4,857	4,830	4,792	4,816	4,757	4,624	4,510	4,586
Student to faculty ratio*	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	18 to 1
Full-time and part-time faculty										
Female	43%	42%	41%	41%	41%	39%	39%	40%	40%	39%
Minority	20%	20%	21%	23%	23%	22%	22%	22%	21%	20%
Full-time and part-time staff										
Female	57%	57%	57%	57%	57%	58%	57%	58%	58%	58%
Minority	13%	14%	15%	17%	17%	17%	17%	17%	17%	15%
Staff covered by collective bargaining agreements	90%	90%	90%	90%	90%	91%	91%	90%	91%	92%
Adjunct lecturers	749	732	709	690	679	708	696	686	692	691

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

SCHEDULE OF CAPITAL ASSET INFORMATION
Last Ten Fiscal Years

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Academic Buildings										
Net assignable square feet (in thousands)	2,890	2,876	2,847	2,654	2,753	2,753	2,736	2,684	2,604	2,604
Number of buildings	158	160	170	168	171	171	171	171	172	172
Auxiliary and Independent Operations Buildings										
Net assignable square feet (in thousands)	3,937	3,638	3,859	3,753	3,277	3,336	3,279	3,279	3,396	3,430
Number of buildings	178	185	190	189	193	209	213	213	217	220
Administrative and Support Buildings										
Net assignable square feet (in thousands)	883	887	832	852	964	949	949	949	948	948
Number of buildings	81	83	83	88	97	96	96	96	95	95
Total Net Assignable Square Feet (in thousands)	7,710	7,401	7,538	7,259	6,994	7,038	6,964	6,912	6,948	6,982
Total Number of Buildings	417	428	443	445	461	476	480	480	484	487

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

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Residential halls*	102	101	100	101	115	115	116	117	116	114
Residential hall occupancy	12,580	12,712	12,597	12,699	12,723	12,711	12,668	12,469	12,716	12,546
Percentage of main campus undergraduates in campus housing	65%	65%	66%	67%	70%	71%	72%	72%	73%	74%

**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)
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%
2011	215,220,960,000	3,589,072	59,966	9.1%

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

TOP TEN NONGOVERNMENTAL EMPLOYERS

State of Connecticut

Current Year and Ten Years Ago

	2020		
NAME	**Employees in CT**	**Percentage of Total CT Employment**	**Rank**
Hartford HealthCare	30,000	1.7%	1
Yale New Haven Health Sys	26,028	1.5%	2
United Technologies Corp. UTC	19,000	1.1%	3
Yale University	15,243	0.9%	4
General Dynamics/Electric Boat	14,000	0.8%	5
Sikorsky Air/Lockheed Martin Co.	8,735	0.5%	6
Wal-Mart Stores Inc.	8,066	0.5%	7
Mohegan Sun Casino	8,000	0.5%	8
The Travelers Cos Inc.	7,000	0.4%	9
The Hartford	6,800	0.4%	10
Total	142,872	8.3%	

	2011		
	Employees in CT	**Percentage of Total CT Employment**	**Rank**
United Technologies Corp. UTC	26,900	1.6%	1
Hartford HealthCare	15,216	0.9%	2
Yale University	13,615	0.8%	3
Stop & Shop Cos., Inc	13,574	0.8%	4
The Hartford	10,500	0.6%	5
Wal-Mart Stores Inc.	9,204	0.5%	6
Yale New Haven Health Sys	8,500	0.5%	7
General Dynamics/Electric Boat	8,350	0.5%	8
Mohegan Sun Casino	8,000	0.5%	9
Foxwoods Resort Casino	7,210	0.4%	10
Total	121,069	7.1%	

Source: State of Connecticut Office of the State Comptroller

UNIVERSITY OF CONNECTICUT

1881