FINANCIAL STATEMENTS

JUNE 30, 2024

UNIVERSITY OF HARTFORD

INTRODUCTION

The University of Hartford (UHart) is at an important moment in its history. This fall, the University has welcomed Lawrence P. Ward as the University's seventh president and, for the first time since the fall of 2020, exceeded more than 6,000 enrolled undergraduate and graduate students. Through an intentional and deep educational and co-curricular experience, our students are being prepared not only for successful careers, but also for successful lives as engaged alumni and contributing citizens.

With the input and dedication of our faculty and staff, UHart continues to create and implement a number of initiatives to ensure financial stability. We achieved our fourth straight year of increases in undergraduate applications, seeing our newest and in-demand academic programs grow in student interest. Our graduate enrollment and affinity continuing education programs also demonstrate consistency and potential. Campus residency has increased and our standing among the top 20 percent of most diverse student bodies in New England has only strengthened.

The University's strong belief that student success calls for a holistic approach that integrates the academic, social, personal, and professional needs of students is paying dividends today. The Division of Student Success has become a model in assisting and advising students even before they set foot on campus—and has led to significant increases in our first-year retention. A number of billing and related communication enhancements have further helped students and families in preparation for the academic year, while building more financial confidence in payment projections. The striking Francis X. and Nancy Hursey Center for Advanced Engineering and Health Professions, opened in late 2021, has transformed our campus—both in physical appearance and in the manner that we can attract and serve students in multiple high-growth programs. This fall, we have completed additional campus projects that serve our community, including a new Hillel Center and a new track and field. The University is vetting an intentional campus facilities and maintenance plan with short- and long-term investments and goals.

We have grown partnerships with industry leaders such as Stanley Black & Decker, Pratt & Whitney, and Hartford HealthCare—all playing an important role in students' enrollment decisions and outcomes. The University's transition to an NCAA Division III athletics model from Division I is also resulting in multiple benefits. This is the University's first year competing as a full member of the Conference of New England and we have hired coaches for new programs launching in men's and women's tennis and field hockey.

As the trends—and our selective strategies—of the past few years continue to play out with new leadership at the helm, UHart stands ready to benefit from the hard work, strategic planning, and exhaustive dedication of many individuals across our campus community. We are also committed to enhancing our presence and impact on the Greater Hartford region and the state of Connecticut this year.

This year, we are focused on enrollment stability and potential, achieving budget transparency and stability, further enriching campus experiences for all students, augmenting our fundraising efforts, finding ways to invest in faculty and staff compensation, and being extremely diligent in utilizing all existing resources efficiently and effectively.

LEADERSHIP AND VISION

In July 2024, following an extensive and comprehensive search process, the University was pleased to welcome its seventh president, Lawrence P. Ward. A dynamic leader in the national higher education landscape with deep Connecticut roots, Ward succeeded Stephen Mulready M'77, who served as acting president since the retirement of the University's sixth president, Gregory Woodward, in 2023.

Ward was previously vice president for learner success and dean of campus life at Babson College in Wellesley, Massachusetts. At Babson, he played a central leadership role in shaping institutional priorities and strategic plans that drove successful undergraduate and graduate student outcomes. During his 10-year tenure, Ward's focus was on seamlessly integrating the academic and co-curricular student experience, providing robust support structures for an increasingly diverse student body. Previous to his experience at Babson, he served as associate dean for academic programs at American University's Kogod School of Business in Washington, D.C.

Ward's numerous accomplishments at Babson included providing vision and oversight for major capital construction projects; advancing fundraising priorities that enhanced student well-being, belonging, and engagement; reimagining the student success infrastructure; building a championship intercollegiate athletics culture; developing new non-tuition revenue channels; and strengthening the College's commitment to diversity, equity, and inclusivity. He earned his bachelor's degree in business administration from the University of Connecticut, his master's degree in higher education administration from the University of Michigan, and his doctorate in higher education management from the University of Pennsylvania, where he holds a faculty appointment in the Graduate School of Education.

Ward and his wife, Katerie, an elementary school teacher, are both from the Greater Hartford area. His extended family has been a staple in the Hartford region since the 1940s. While being from Connecticut or the region was certainly not a requirement for candidates, the engrained commitment to being "home" is powerful.

In his first few months in office, President Ward has challenged the campus community to "reimagine excellence" at the University of Hartford. While referencing key initiatives and efforts from UHart Start, our Strategic Action Plan, he has encouraged the campus to contribute to what he calls Critical Few Objectives. By being specific about our priorities—and related tactics, outcomes, and measurements— everyone is clear on expectations and goals. So far, we have developed four main objectives and are beginning to work through appropriate measurements.

Financial Sustainability: The University will continue to sharpen the definition of what sustainable means to our institution. This requires a combination of fiscal management, enrollment management, and donor and alumni engagement, with consistent, defined, transparent, and regular financial reporting. Specific priorities include a comprehensive review of large contracts and pricing strategy, an analysis of year-over-year budget models, and a fundraising campaign strategy.

Student Experience, Support, and Success: This is our mission and the core of everything we do. The University has achieved significant progress in retention and will prioritize next steps in building vibrant curricular and co-curricular undergraduate and graduate experiences that improve outcomes. An enhanced emphasis on partnerships will deliver on career and graduate placement results.

Institutional Culture and Confidence: Following the pandemic, our athletics decision, and leadership transitions, we will focus on reestablishing confidence and engagement among our key stakeholders. We will infuse the human elements of communication and connection to build trust, showing transparency and authenticity. Compensation and benefits are recognized elements in creating a better "people organization" and being a first-choice institution.

A Partner and Contributor to Greater Hartford and Connecticut: A healthy and vibrant University of Hartford is key to bringing greater opportunity, potential, and impact to our region and state. This includes external and intentional partnerships with industry, civic organizations, government, and others. There is a universal hunger and support for UHart's engagement.

President Ward is already working closely with the Board of Regents, led by Chair Donald Allan Jr. '86, president and CEO of New Britain-based Stanley Black & Decker, the world's largest toolmaker. Allan began his tenure as board chair in May 2023. He has been a UHart regent since 2015, as well as a past member of the Barney School of Business Board of Visitors. Allan was instrumental in launching the new Stanley Black & Decker Scholar and scholarship programs at UHart, which provides students with scholarships, mentoring programs, and résumé workshops. He has also made building expansions and renovations possible on campus, through generous contributions to spaces and technology in the Barney School of Business and the Hursey Center for Advanced Engineering and Health Professions. Most recently, his family named the Allan Center for Career and Professional Development.

The University has also had leadership changes within its finance division. Jamie Skowyra accepted an offer to return to her prior institution, Nichols College, as vice president for business and finance and chief financial officer. The University community certainly understands her opportunity to be closer to home with a new president named at Nichols, and recognize this is an interruption in the progress being made within our finance division and operations. We are moving thoughtfully but quickly to launch a comprehensive search.

UHart announced an interim leadership plan this month. Stephen F. Kenney, a professional with decades of experience as a strategic finance and operations leader in multiple high-profile academic settings, has been named interim vice president for finance and administration and chief financial officer.

Kenney is a mission-driven leader whose passion and skills have transformed the financial performances of those organizations for which he has worked, some in higher education, others in health care and international development. He is noted as a change management catalyst who has facilitated more than $100 million in financial improvements at several of those institutions through creative cost containment, productive process improvements, and responsive revenue growth. Kenney's long list of accomplishments also includes the formation of bank partnerships to support fundraising campaigns exceeding $500 million, and the launch of biomedical research and competitive grants programs representing $200 million in support.

A consummate team builder, Kenney has provided financial expertise to the Arnot Health System in the Southern Tier of New York, the University of Vermont Health Network, Weill Cornell Medicine at Cornell University, and the American University of Beirut in both Lebanon and New York. His positions have included chief financial officer, chief administrative officer, and vice president of finance, and his wide range of financial capabilities includes capital campaigns, endowment stewardship, nonprofits, and governmental agencies. Kenney began his career in Maine at a top-tier global accounting firm (now Ernst & Young), where he earned his certified public accounting (CPA) designation along with several other certifications in internal audit, fraud examinations, information systems audit, and global management accounting.

FINANCIAL MATTERS

The University's leadership continues to be dedicated to improving the overall financial situation for the institution. As reflected in the year-over-year audited financial statements, the pandemic disruption had a significant negative impact on net tuition revenue, while placing increased stress on student financial aid. As previously mentioned, fall 2024 marked the first time since fall 2020 when total undergraduate and graduate enrollments exceed 6,000 students. These improved enrollments, coupled with significant recent progress in first-year student retention rates, have had a positive impact on the University's overall financial performance. Total net tuition revenue has rebounded to $143M in FY24, representing an $18M increase (+15%) from the pandemic disruption low of $125M in FY22.

In FY24, the finance team focused on implementing a more integrated budget model to assist with estimating various scenarios. A detailed cash flow forecasting tool was developed and is updated frequently to closely monitor account balances and cash flow needs. Financial reporting includes greater detail and increased frequency for University and department-level review. These efforts will support and sustain the financial monitoring and sustainability of the University.

As evidenced in the audited financial statements, the University's finances are improving. Net tuition and fee revenue increased $4.8M in FY24 as a result of the increased enrollment. The renovations in the Village Apartments have helped to increase the number of students living on campus, resulting in a housing and dining revenue increase of an additional $4.8M. Other revenue categories saw increases of approximately $760K due to increased activities in Summer Place (youth enrichment camp), summer conferences, study abroad, and Orientation. Total operating revenues decreased in FY24, a result in part due to the reduction in the Endowment Spending Allocation of $16.9M, which is offset in non-operating activities. As previously documented, in FY23, $10.6M of unrestricted endowment was used to establish a debt service reserve fund and $15.6M of accumulated endowment investment income was used to offset operating expenses. In FY24, a lower draw of $6M unrestricted endowment was completed to offset operating expenses.

As UHart has continued to closely monitor and control spending, a savings of $3.7M was recognized in operating expenses in FY24. Position eliminations, department restructurings, and program evaluations resulted in a $1.9M reduction. In addition, $600K was realized by moving IT services back in house. Online learning services were also moved in house, resulting in savings of approximately $1M. An additional savings of approximately $1.2M was recognized in fringe benefits, as a result of plan changes and reduced claims. Although there were some areas with increased operating costs due to inflationary and contractual increases, these expenses and budgets were monitored closely. The net change in revenue and expense operating activities for FY24 was ($3.7M).

Investment returns were up $3.6M due to a strong investment market, and savings of $1.5M were realized due to actuarial changes in post-retirement benefits. The change in the Endowment Spending Allocation was offset by the reduction in revenue, resulting in a positive change in net assets from non-operating activity of $14.4M.

Overall, the favorable net change in total net assets for FY24 was an increase of $10.7M. The University passed the Debt Service Coverage Ratio with a score of 2.58 and the Ratio of Cash & Investments of 150.2%.

Statements of Financial Position

as of June 30,

(in thousands of dollars)

	2020	2021	2022	2023	2024
Assets					
Cash and cash equivalents	$ 23,360	$ 23,149	$ 15,520	$ 3,570	$ 9,806
Restricted funds	47,695.00	21,701.00	3,411	17,919	14,289
Accounts and loans receivable, net	12,632	12,647	10,695	9,401	7,352
Other assets	6,305	7,448	7,868	9,413	11,593
Pledges receivable, net	6,684	7,760	7,298	7,677	8,813
Investments	180,064	233,844	190,344	202,158	214,910
Property and equipment, net	142,666	164,976	177,179	176,021	165,469
Total assets	$ 419,406	$ 471,525	$ 412,315	$ 426,159	$ 432,232
Liabilities					
Accounts payable and accrued expenses	$ 23,852	$ 31,790	$ 36,635	$ 23,951	$ 20,539
Deferred revenue and student deposits	20,686	12,654	13,508	20,441	19,148
Post-retirement benefit obligations	11,649	9,846	7,713	6,738	3,332
Other liabilities	9,982	6,383	4,987	4,506	4,224
Notes payable and other debt	144,216	143,419	140,331	167,417	171,169
Total liabilities	$ 210,385	$ 204,092	$ 203,174	$ 223,053	$ 218,412
Net assets					
Without donor restrictions	$ 43,088	$ 48,716	$ 28,334	$ 19,937	$ 15,596
With donor restrictions	165,933	218,717	180,807	183,169	198,224
Total net assets	$ 209,021	$ 267,433	$ 209,141	$ 203,106	$ 213,820
Total liabilities and net assets	$ 419,406	$ 471,525	$ 412,315	$ 426,159	$ 432,232

Summary Statement of Activities

Fiscal years ended June 30,

(in thousands of dollars)

	2020	2021	2022	2023	2024
Operating revenues and other support					
Student tuition and fees	$ 207,022	$ 208,723	$ 190,473	$ 195,945	$ 210,823
Auxiliary enterprises, residence and dining fees	36,778	33,532	37,846	40,984	45,724
Less student aid	(103,312)	(105,706)	(103,820)	(103,015)	(113,021)
Net tuition and fees	140,488	136,549	124,499	133,914	143,526
Contributions and grants	13,298	20,325	18,687	10,907	10,472
Investment income	266	107	96	285	46
Endowment spending allocation	6,821	7,366	10,024	32,048	15,059
Distribution from perpetual trust (HASE, Inc.)	568	613	713	621	703
Organized activities	4,869	2,949	3,403	3,737	4,108
Other auxilliary enterprises	1,695	285	1,444	1,669	2,057
Other sources	4,618	5,046	8,941	5,190	3,950
Subtotal	32,135	36,691	43,308	54,457	36,395
Total operating revenues and other support	172,623	173,240	167,807	188,371	179,921
Operating expenses					
Instructional expenses	87,882	82,856	89,619	91,438	88,799
Auxiliary enterprises	34,778	31,119	33,443	36,231	37,316
Research and educational grants	2,744	2,918	2,720	2,392	2,896
Organized activities	8,700	7,078	8,600	7,179	6,011
Student services	14,394	14,171	16,054	17,066	16,712
Libraries	3,456	3,780	3,973	4,976	4,034
General institutional	10,105	12,695	14,976	14,377	20,454
General administration and other	9,778	16,341	10,427	7,431	2,448
Development	4,617	4,859	5,131	5,131	4,936
Total operating expenses	176,454	175,817	184,943	186,221	183,606
Change in net assets from operations	(3,831)	(2,577)	(17,136)	2,150	(3,685)
Non-operating activities					
Contributions	6,126	4,107	1,603	3,188	3,604
Net return on investments	(1,689)	54,867	(29,652)	19,214	21,933
Endowment spending allocation	(6,821)	(7,366)	(10,024)	(32,048)	(15,059)
Actuarial change in post-retirement benefits	(871)	879	978	(181)	1,548
Change in fair value of interest rate swap	(437)	-	-	-	-
Change in value of perpetual trust (HASE, Inc.)	217	4,342	(4,018)	1,218	1,983
Change in value in split interest agreements	(294)	2,714	(697)	543	516
Other non-operating activities	(4,925)	1,446	654	(119)	(126)
Change in net assets from non-operating activities	(8,694)	60,989	(41,156)	(8,185)	14,399
Change in net assets	(12,525)	58,412	(58,292)	(6,035)	10,714
Net assets at beginning of year	221,546	209,021	267,433	209,141	203,106
Net assets at end of year	$ 209,021	$ 267,433	$ 209,141	$ 203,106	$ 213,820

FACULTY AND STAFF

As of October 20, 2024, UHart employed 784 full-time faculty and staff, including 332 full-time faculty, 310 professional and administrative staff, 98 office and administrative support staff, 20 skilled crafts and service personnel, and 24 public safety personnel. The University outsourced its facilities operations to Aramark in May 2021, including facilities management, custodial, maintenance, trades, and ground personnel.

There are 332 full-time faculty, including visiting faculty. Of these, 65 are tenure-track appointments and 184 have been granted tenure by the Board of Regents. Full tenure is awarded only upon completion of a thorough review by both the collegiate promotion and tenure committees, in addition to the Provost's Committee on Promotion, Tenure, and Academic Freedom. A total of 259 full-time faculty members have received doctoral or terminal degrees. Of the full-time faculty, 165 identify as men, 166 identify as women, and 1 identifies as agender.

The table below indicates the number of full- and part-time faculty members, and the number and percentage of tenured faculty members for the academic years indicated.

	2020–21	2021–22	2022–23	2023–24	2024–25
Faculty headcount	799	752	784	768	701
Faculty full-time	360	348	346	333	332
Faculty part-time	439	404	438	435	369
% tenured (full-time faculty)	51.1%	49.4%	53.2%	53.5%	55.4%

STUDENT ENROLLMENT

Tuition, Room, Board, and Fees

The University of Hartford is committed to setting tuition, room, board, and fees at a level where students and their families recognize a good value for an outstanding education. Each year, University leadership, with the Board of Regents, compares the cost of attendance to its regional private competitors. As part of this process, consideration is given to the tuition discount rate using average student aid indexes and market trends, as well as the institutional aid committed to returning students. For the indicated academic years, the University's full-time undergraduates have been charged as follows:

	2020–21*	2021–22	2022–23	2023–24	2024–25
Tuition	$ 40,490	$ 41,704	$ 42,851	$ 44,350	$ 45,682
Fees	3,070	3,171	3,297	3,297	3,393
Tuition and Fees	$ 43,560	$ 44,875	$ 46,148	$ 47,647	$ 49,075
Room (double occupancy)	$ 8,088	$ 8,088	$ 8,088	$ 8,333	$ 8,584
Board	5,110	5,264	5,422	5,612	5,948
Room and Board	$ 13,198	$ 13,352	$ 13,510	$ 13,945	$ 14,532
Total	$ 56,758	$ 58,227	$ 59,658	$ 61,592	$ 63,607

*Rates shown above are full year residential rates. Actual rates charged may vary as a result of campus closure due to COVID-19

Enrollment

Each fall, the undergraduate enrollment team (leaders from admission, financial aid, and marketing communication) meet with each dean and our partners at EAB. We review key metrics from the prior cycle and discuss goal setting for the new year, including challenges and opportunities. This process includes in-depth discussions about discount trends and the pricing of tuition, room, board, and fees, in partnership with finance and in comparison to our peer set. We also review both need- and non-need based financial packaging policies and go over a series of live simulations that inform our enrollment and net tuition revenue outcomes. Finally, we again meet with each dean to share the scenarios and projections before agreeing on final goals. In late fall, our final enrollment projections and plan are formally shared with finance and presented to the provost and president for approval.

Throughout the cycle, the enrollment team continuously monitors activity and tracks enrollment and financial aid progress. The information and patterns learned from this consistent analysis informs mid-cycle adjustments and contributes to future enrollment and discount planning. Over the course of the entire cycle, these data are reviewed in detail on a biweekly basis with our enrollment leadership team and communicated to all University leaders on a regular basis.

The University's overall undergraduate enrollment, as measured by full-time equivalents, continues to see solid momentum. For the first time since fall 2020 enrollments surpassed 6,000 enrolled undergraduate and graduate students. Following a 9% increase in the 2023–24 incoming undergraduate class (first year and transfer), and after a 16% increase in 2022–23, the University enrolled 1293 new students for 2024-2025. This was slightly below our 1306 goal, but above incoming classes in 2020 (1233), 2021 (1072), and 2022 (1267). Among the largest program enrollments are nursing, architecture, psychology, radiologic technology, music theatre, mechanical engineering, and business analytics. The Hartford Art School and The Hartt School each had overall increases, with successful synergies under the new shared leadership model.

Our in-state Connecticut resident enrollment grew to 51.7% (versus 46.1% in 2023), following "closer to home" trends in the marketplace. We also enrolled a large number of honors-qualified students who demonstrate strong academic ability, which bodes well for student success and has contributed to improved retention. The incoming class, in addition to strong interest from returning students, also provided a significant increase in our residential student population (100 students over goal).

Total applications received (14,962) are up compared to the prior year (14,792), demonstrating continued demand and interest generated by the continued implementation of our search and marketing strategies. The application increases represent the fourth straight year of application growth. Admit volume fell slightly but was consistent for the fall 2024 cycle following prior growth (12,094 versus 12,156 in 2023; 11,289 in 2022; and 10,926 in 2021).

Early application submissions afforded the opportunity to expedite the process of making admission decisions. However, this cycle was obviously met with obstacles due to the documented delays and confusion stemming from FAFSA simplification. Consequently, the University observed a reduction in the number of FAFSAs submitted, with a decrease of 1.3% as compared to the fall 2023 period. The University's initiatives aimed at closing the submission gap and improving FAFSA completion, ultimately performing more favorably as compared to other private institutions.

UHart continues to see stable domestic graduate enrollments, even with record-low national unemployment rates. Graduate headcount increased from 1,782 students in fall 2023 to 1,793 in fall 2024. Total graduate credit hours also increased from 13,815 to 14,564, or 5%, over that same time period.

In part, we are experiencing an increase in the number of international students seeking graduate studies. UHart recently launched a master's degree program in computer science, which enrolled 10 international students for fall 2024 and expects 10 additional students for spring 2025. We also received I-17 approval to transition five of our MBA concentrations to STEM-based OPT programs, which should continue to increase enrollment. This designation allows international students the ability to stay and work in the United States for three years upon completion of their degree.

The one-year retention rate for the fall 2023 cohort was 83%, representing the highest first-year retention rate in the University's history. The investments into first-year advising and additional support for students continues to pay dividends in student success, positively impacting overall enrollment.

Collectively, all our efforts, strategies, and decisions around new and returning student enrollments are being informed and leveraged by sound data and analytics, captured with our customer relationship management (CRM) platform and other marketing and support tools, with regular reporting made available.

First year student admission information (excludes transfers)

	2020-21	2021-22	2022-23	2023-24	2024-25
First-Year Applications Received	12,854	13,460	13,162	14,250	14,278
First-Year Applications Accepted	9,793	10,606	10,498	11,902	11,773
% Accepted	76%	79%	80%	84%	82%
New First-Year Students Enrolled	1,127	965	1,141	1,317	1,170
% Matriculated	12%	9%	11%	11%	10%

*Beginning with the 2019 academic year, the University changed the method in which applications received were counted as a result of a change in application platform,

Matriculants by College (includes transfers)

	2020-21	2021-22	2022-23	2023-24	2024-25
Barney School of Business	137	93	146	177	159
College of Arts & Sciences	241	217	237	281	221
College of ENHP	268	232	300	310	306
CETA	219	185	249	239	231
Hartford Art School	103	83	90	91	114
Hillyer College	160	156	113	157	108
The Hartt School	125	96	126	135	152
University Studies	16	2	3	4	2
Total	**1,269**	**1,064**	**1,264**	**1,394**	**1,293**

The University's enrollment, as measured by full-time equivalents, for the current and past four years is shown below.

	2020–21	2021–22	2022–23	2023–24	2024-25
Undergraduate (FTE)					
Full-Time	4,084	3,684	3,687	3,844	3,960
Part-Time	177	126	114	114	160
Total Undergraduate (FTE)	4,261	3,810	3,801	3,958	4,066
Graduate Student (FTE)					
Full-time	750	688	723	735	822
Part-time	467	470	397	400	371
Total Graduate (FTE)	1,217	1,158	1,120	1,135	1,193
Total Student FTE	5,478	4,968	4,921	5,093	5,259

FINANCIAL AID

UHart students are eligible for a range of financial aid, including scholarships, grants, loans, and student employment. Aid is funded by the University, federal and state governments, donors, and various other sources. Students from all income ranges are considered for and receive University of Hartford grants and scholarships. Increased focus in recent years has been on academic achievements; the University's scholarship days have been successful in attracting top-tier students who appear to have higher retention rates.

The Department of Education completely transformed the FAFSA for the 2024–25 year, using a new need analysis calculation. The well documented challenges of the rollout had impacts that were far reaching and evolving throughout the cycle. In working with our partners at EAB, we did an in-depth analysis of anticipated need changes for our student population. The University upheld the same commitment to need-based aid as in past years. Like peer institutions, in an effort to drive FAFSA completion, we also instituted a FAFSA Incentive award for $2,000 within our aid strategy.

We continue to focus on the potential within the federal work-study program, allowing more students to find employment opportunities on campus. The FWS program prepares students with work experience but also helps support them financially in covering educational expenses, including books, supplies, and other personal expenses. We also worked diligently to advocate for the state of Connecticut to continue to support in-state students, and encourage their continuing studies, with scholarships and grant funds.

The financial aid team effectively pivoted throughout the past cycle to support students and families through FAFSA delays and education this year. The team provides comprehensive one-on-one financial aid counseling in person and online to students and parents at the recruitment stage, in addition to regular educational programming and involvement with new student orientation.

First-time First-Year Average Need-Based Grant

	Fall 2020	Fall 2021	Fall 2022	Fall 2023	Fall 2024
Students enrolled	1,127	965	1,141	1,307	1,173
Students awarded need-based scholarship grant	716	626	745	903	725
% awarded need-based scholarship grant	64%	65%	65%	69%	62%
Average need-based scholarship grant for students receiving grant	$ 4,337	$ 4,476	$ 3,941	$ 4,318	$ 4,284
Tuition and fees	$ 43,560	$ 44,875	$ 46,148	$ 47,648	$ 49,075
Average need-based grant as a % of Tuition and fees	10%	10%	9%	9%	9%

	2019-20	2020-21	2021-22	2022-23	2023-24
Scholarships/Grants					
Federal	7,071	6,695	6,353	6,896	8,229
Institutional	86,998	90,241	83,911	93,284	102,311
State	707	899	774	877	1,690
External Scholarships/Grants	1,135	3,167	784	1,220	1,565
Self-Help					
Student Loans (no parent)	36,082	30,545	28,596	29,882	30,723
Federal Work Study	954	674	816	883	1,073
Other Work	1,134	1,208	1,167	1,133	1,057
Parent Loans	17,298	13,009	14,252	15,519	15,451
Tuition Waivers	4,141	4,217	4,277	3,637	4,131
Athletic Awards	6,445	6,307	5,317	1,964	812
Percent of First-time Full-time First Year Students Awarded Aid	97%	93%	92%	93%	96%

RESIDENTIAL EXPERIENCE

In summer 2022, the University ambitiously renovated 207 Village Apartments units. The Villages were chosen due to their capacity to house roughly one-third (877 students) of our residential population. The complete refresh of all Village Apartments included all interior upgrades and necessary infrastructure improvements to create an optimized student experience. The goal was to increase residency in our apartments, where residency had decreased due to the age and condition of the spaces.

During housing registration in spring 2023 for the 2023–24 academic year, the Village Apartments sold out for the first time. The University increased Village occupancy rates from 89% in fall 2022 to 93% in fall 2023. The total number of undergraduate residential students rose from 2,491 in the 2022–23 academic year to 2,729 in the 2023–24 academic year. There was a modest increase from 89 graduate students to 98 graduate students during the 2023–24 academic year. This current year, undergraduate residents have increased from 2,729 in o 2,804 and graduate students have increased from 98 to 103 in housing. This continued growth in residential occupancy is attributed to the sustained improvements and investments in the residential and student experience, along with external factors like the tight off-campus rental market. As we move forward, the overall outlook for our residential community remains positive, reinforcing our commitment to enhancing the student living environment and supporting university-wide growth initiatives.

The Division of Student Success continues to track the number of student attendees participating in events and programs on campus. The number of students with a record of attending at least one fall event increased to 67.4% in fall 2023 from 65.2% the prior year, with 74.8% of those students attending more than one event. Since relaunching a formal recreation program, the total number of students participating in intramural and club sports has also increased 18% this year. The increased opportunity for engagement and participation is another piece of our success in increasing campus retention.

Five-Tear Housing Statistics

As of Fall Census, Degree Seeking:	2020–21	2021–22	2022–23	2023–24	2024–25
Undergraduate Students in Campus Housing	2,351	2,370	2,491	2,729	2,804
% Undergraduate Students in Campus Housing	54%	61%	63%	66%	66%
Graduate Students in Campus Housing:		68	89	98	103
% Graduate Students in Housing		4%	5%	5%	6%

INVESTMENTS

The University's Investment Subcommittee of the Board of Regents includes non-regents in an effort to ensure it has the appropriate expertise and knowledge to carry out its responsibilities effectively. In addition, the University uses an external endowment/investment consultant.

Overall investments at June 30, 2024, were $214.9 million, which represents an increase of $12.8 million from June 30, 2023. The primary factor is an increase in market conditions over the prior year. In addition to the usual 4.5% endowment spend, $6 million of unrestricted endowment was used to offset operating costs.

In addition to the pooled endowment, the University maintains non-pooled endowment and other short-term investments, which are reported at market value, where available. The University is the beneficiary of irrevocable charitable remainder trusts, which are reported as assets of the University based on the University's share of the current market value. Finally, in accordance with a court decision dated January 4, 2002, the University records the value of the Hartford Art School Endowment assets as a perpetual trust. While the Hartford Art School is the sole beneficiary of the perpetual trust, the University has the irrevocable right to receive the income earned on the trust assets in perpetuity. Distributions received by the University are restricted to the benefit of the Hartford Art School.

The table below outlines the University's total investment positions and growth for the fiscal years ended June 30.
(in thousands of dollars)

	2020	2021	2022	2023	2024
Investments at fair value					
Cash equivalents	$ 1,721	$ 3,368	$ 5,679	$ 3,401	$ 2,295
Equities:					
U.S.	57,379	76,716	50,768	49,060	46,648
Non-U.S.	51,109	72,568	56,797	63,010	71,634
Fixed Income	27,449	31,044	27,912	27,676	35,732
Private equity funds	8,017	10,422	18,719	21,544	23,867
Hedged multi-strategy funds	9,983	9,690	7,862	10,947	5,709
Real assets	6,565	7,155	6,976	4,397	4,142
Commodities	49	-	-	-	-
Subtotal	162,272	210,963	174,713	$ 180,035	$ 190,027
Charitable remainder trusts	214	2,843	2,316	2,736	3,206
Perpetual trust (HASE, Inc.)	17,578	22,170	18,152	19,387	21,677
	$ 180,064	$ 235,976	$ 195,181	$ 202,158	$ 214,910

The University holds interests in certain funds, commingled funds, and other investment structures that invest in securities at the discretion of the investment managers, according to the University's investment policy. The funds hold, among other investments, debt and/or equity securities of troubled or restructured companies and enter into transactions in financial futures; foreign exchange options; forward currency contracts (which are used for hedging and non-hedging purposes); securities purchased under agreements to resell; securities sold under agreements to repurchase; and commingled and other fixed income, domestic equity, and global equity funds. Valuation techniques used to measure fair value maximize the use of observable inputs and minimize the use of unobservable inputs.

The University's investment strategy includes alternative investments that have acceptable risk/return characteristics, and which can further the diversification of the investment program. Such investments may include, but are not limited to, global asset allocation strategies, bank loan funds, distressed mortgage debt, infrastructure investments, niche private investments, certain types of hedge funds, and convertible bonds. The University, through its third-party investment advisor, performs ongoing due diligence with the investment managers, including a preliminary due diligence review and approval process and subsequent monitoring, which include site visits, review of audited financial statements, and performance analysis. The University's third-party investment advisor meets formally with the Investment Subcommittee to review performance and make investment recommendations.

Private equity investments are generally made through limited partnerships. Under the terms of the partnership agreements, the University makes a commitment of a specific amount of capital to a partnership and is obligated to remit committed funding periodically when capital calls are exercised by the General Partner as the partnership executes its investment strategy. Private equity funds are typically structured with investment periods of three to seven years. Subsequent to the expiration of the investment period, a fund is usually prohibited from calling capital for new investments. The aggregate number of unfunded commitments associated with private equity investments is $4.4 million as of June 30, 2024. The timing and amount of future capital calls expected to be exercised in any future year is uncertain.

FUNDRAISING

The 2024 fiscal year was our most successful fundraising year in the past five years. We raised just over $15.7M, which includes $12.4M in cash and pledges and an additional $3.3 million in new, codified planned gifts. We received the largest corporate scholarship gift in the University's history, with a $3 million commitment from Stanley Black & Decker. We also received our first-ever federal appropriations funding for $300K for our College of Education, Nursing and Health Professions. Our momentum continues to improve not just with alumni giving, but with support from our industry partners and public sector funding.

Our fundraising priorities for FY 25, under the leadership of President Ward, will be focused on improving the residential experience for our students (through improved living and recreational spaces) and continuing our strategy of raising funds for scholarships and growing the endowment. By improving the residential experience, we will be able to reimagine our financial model and, over time, attract more qualified students with a higher ability to pay. Our focus on scholarships will continue (we have raised $7.2 million over the past year and a half) and will be focused on offsetting unfunded aid, as part of the overall financial aid strategy. We will continue to work to grow the endowment in the form of endowed scholarships and programmatic funds that will grow in perpetuity and help offset expenses.

	2019-20	2020-21	2021-22	2022-23	2023-24
Outright Gifts	$ 4,565,000	$ 2,087,000	$ 4,561,379	$ 4,117,329	$ 6,891,004
Pledge Payments	1,401,000	1,877,000	1,267,831	2,817,469	1,800,496
Bequests	2,373,000	279,000	1,435,740	2,319,227	2,494,062
Cash Totals	$ 8,339,000	$ 4,243,000	$ 7,264,950	$ 9,254,025	$ 11,185,562
New Pledges	$ 5,813,000	$ 4,279,000	$ 964,517	$ 3,486,728	$ 3,050,000
Planned Gift Intentions	$ 795,000	$ 3,570,000	$ 5,978,342	$ 2,818,605	$ 3,302,209

OUTSTANDING DEBT

As of June 30, 2024, the University had total outstanding indebtedness as follows in (000's):

	2024	2023
Series N Revenue Bonds issued through CHEFA, registered and publicly traded. Original principal $132,000. Serial bonds maturing each July 1, 2021 through 2034 fixed interest rate of 5.00%, aggregate principal $42,545, annual principal payments range from $600 to $4,255; Term bonds, principal amount $24,195 due July 1, 2039 fixed interest rate 4.00%. Term bonds, principal amount $29,460 due July 1, 2044, fixed interest rate 4.00%. Term bonds, principal amount $35,800 due July 1, 2049, fixed interest rate 4.00%. collateralized by various University assets in accordance with the loan agreement	126,550	129,040
Series P Revenue bonds issued through CHEFA, registered and publicly traded. Original principal of $25,500 maturing July 1, 2052, fixed interest rate of 5.38%. Annual interest only payments of $1,298 to $1,370 are due annually on July 1, 2050 to July 1, 2052, annual principal payments range from $8,060 to $8,950, collateralized by various University assets in accordance with the loan agreement	25,500	25,500
	152,050	154,540
Plus unamortized premium	8,951	9,781
Less deferred bond issuance costs, net	(1,832)	(1,904)
Total notes payable and other debt	$ 159,169	$ 162,417

LIQUIDITY

As of June 30, 2024 and 2023, financial assets and liquidity resources available within one year for general expenditure, such as: operating expenses, scheduled principal payments on debt, and capitalized construction costs not financed with debt are as follows:

	2024	2023
Cash and Cash Equivalents	$ 9,806	$ 3,570
Accounts Receivable, Net	6,667	8,217
Pledges Due in One Year or Less Available for Expenditure	2,198	1,989
Endowment Spending Appropriation for the Following Year	8,756	8,955
Total Financial Assets Available Within One Year	$ 27,427	$ 22,731

The University has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, as part of the University's liquidity management, the University invests cash in excess of daily requirements in various short-term investments.

The University has board-restricted endowment funds of $15.6million and $20 million, respectively, as of June 30, 2024 and 2023.

The University has access to a $12 million line of credit, which can be utilized for general expenditures. As of June 30, 2024 and 2023, the University had $0 million and $10 million, respectively, of funds available to draw from this line of credit. During August 2024, the University fully paid down their outstanding balance of $12million on their line of credit.

Schedule A
to the Certificate

Statement Date: 6/30/2024

Covenants for Series N Issue - Loan Agreement Sections 5.12(a) & 5.12(b)

Tested at each 6/30

Long-Term Debt Service Coverage Ratio ≥ 1.10x		**FY24**
Change in Unrestricted Net Assets	$	4,346,000
Add/(Subtract): Unrealized Investment Losses / (Gains)		(1,338,746)
Add Back: Cash Paid for Interest		7,104,000
Add Back: Depreciation		15,406,000
Add Back: Early Retirement Plan Benefits		-
Add/(Subtract): Change in Asset Retirement Obligation		126,191
Add/(Subtract): Actuarial Change in Retirement Plan Benefits		(1,548,232)
Amount Available For Debt Service	$	24,095,213
Maximum Annual Debt Service	$	9,348,325
Debt Service Coverage =		2.58
In Compliance:		Yes

Tested at each 6/30

Ratio of Cash & Investments to Debt ≥ 50%		**FY24**
Cash and Equivalents	$	24,095,000
Investments	$	214,910,000
Divided by Funded Debt	$	159,169,000
Total Percentage =		150.2%
In Compliance:		Yes

UNIVERSITY OF HARTFORD

FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2024 AND 2023

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UNIVERSITY OF HARTFORD
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INDEPENDENT AUDITORS' REPORT

Board of Regents
University of Hartford
West Hartford, Connecticut

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of University of Hartford (the University) which comprise the statement of financial position as of June 30, 2024and 2023, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of University of Hartford, as of June 30, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the University's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the University's ability to continue as a going concern for a reasonable period of time.

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

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Philadelphia, Pennsylvania
October 25, 2024

UNIVERSITY OF HARTFORD
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2024 AND 2023
(IN THOUSANDS OF DOLLARS)

	2024	2023
ASSETS		
Cash and Cash Equivalents	$ 9,806	$ 3,570
Restricted Funds	14,289	17,919
Student Accounts Receivable, Net	3,997	4,897
Accounts and Loans Receivable, Net	3,355	4,504
Other Assets	11,593	9,413
Pledges Receivable, Net	8,813	7,677
Investments	214,910	202,158
Property and Equipment, Net	165,469	176,021
Total Assets	$ 432,232	$ 426,159
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts Payable and Accrued Expenses	$ 20,539	$ 23,951
Deferred Revenue and Student Deposits	18,771	19,626
Deferred Tuition and Auxiliary Fees	377	815
Post-Retirement Benefit Obligations	3,332	6,738
Other Liabilities	4,224	4,506
Bonds Payable and Other Debt	171,169	167,417
Total Liabilities	218,412	223,053
NET ASSETS		
Without Donor Restrictions	15,596	19,937
With Donor Restrictions	198,224	183,169
Total Net Assets	213,820	203,106
Total Liabilities and Net Assets	$ 432,232	$ 426,159

See accompanying Notes to Financial Statements.

UNIVERSITY OF HARTFORD
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2024
(WITH COMPARATIVE TOTALS FOR 2023)
(IN THOUSANDS OF DOLLARS)

	2024			2023
	Without Donor Restrictions	With Donor Restrictions	Total	Total
OPERATING REVENUES AND OTHER SUPPORT				
Tuition and Fees (Net of Student Aid of $111,956)	$ 98,867	$ -	$ 98,867	$ 94,066
Auxiliary Enterprises, Residence and Dining Fees (Net of Student Aid of $1,065)	44,659	-	44,659	39,848
Net Student Charges	143,526	-	143,526	133,914
Contributions and Grants	5,954	4,518	10,472	10,907
Investment Income	5	41	46	285
Endowment Spending Allocation	8,687	6,372	15,059	32,048
Distribution from Perpetual Trust (HASE, Inc.)	-	703	703	621
Organized Activities	4,108	-	4,108	3,737
Other Auxiliary Enterprises	2,057	-	2,057	1,669
Other Sources	3,947	3	3,950	5,190
Subtotal	24,758	11,637	36,395	54,457
Net Assets Released from Restrictions	13,429	(13,429)	-	-
Total Operating Revenues and Other Support	181,713	(1,792)	179,921	188,371
OPERATING EXPENSES				
Instructional Expenses	95,354	-	95,354	98,806
Auxiliary Enterprises	37,316	-	37,316	36,231
Student Services	22,601	-	22,601	24,245
Institutional Support	28,335	-	28,335	26,939
Total Operating Expenses	183,606	-	183,606	186,221
CHANGE IN NET ASSETS FROM OPERATIONS	(1,893)	(1,792)	(3,685)	2,150
NONOPERATING ACTIVITIES				
Contributions	13	3,591	3,604	3,188
Net Return on Investments	4,346	17,587	21,933	19,214
Endowment Spending Allocation	(8,687)	(6,372)	(15,059)	(32,048)
Actuarial Change in Post-Retirement Benefits	1,548	-	1,548	(181)
Change in Value of Perpetual Trust (HASE, Inc.)	-	2,686	2,686	1,839
Distribution from Perpetual Trust (HASE, Inc.)	-	(703)	(703)	(621)
Change in Value in Split Interest Agreements	17	499	516	543
Other Nonoperating Activities	(126)	-	(126)	(119)
Net Assets Released from Restrictions	441	(441)	-	-
CHANGE IN NET ASSETS FROM NONOPERATING ACTIVITIES	(2,448)	16,847	14,399	(8,185)
CHANGE IN NET ASSETS	(4,341)	15,055	10,714	(6,035)
Net Assets - Beginning of Year	19,937	183,169	203,106	209,141
NET ASSETS - END OF YEAR	$ 15,596	$ 198,224	$ 213,820	$ 203,106

See accompanying Notes to Financial Statements.

UNIVERSITY OF HARTFORD
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2023
(IN THOUSANDS OF DOLLARS)

	Without Donor Restrictions	With Donor Restrictions	Total
OPERATING REVENUES AND OTHER SUPPORT			
Tuition and Fees (Net of Student Aid of $104,993)	$ 94,066	$ -	$ 94,066
Auxiliary Enterprises, Residence and Dining Fees (Net of Student Aid of $713)	39,848	-	39,848
Net Student Charges	133,914	-	133,914
Contributions and Grants	6,005	4,902	10,907
Investment Income	226	59	285
Endowment Spending Allocation	12,373	19,675	32,048
Distribution from Perpetual Trust (HASE, Inc.)	-	621	621
Organized Activities	3,737	-	3,737
Other Auxiliary Enterprises	1,669	-	1,669
Other Sources	5,182	8	5,190
Subtotal	29,192	25,265	54,457
Net Assets Released from Restrictions	21,778	(21,778)	-
Total Operating Revenues and Other Support	184,884	3,487	188,371
OPERATING EXPENSES			
Instructional Expenses	98,806	-	98,806
Auxiliary Enterprises	36,231	-	36,231
Student Services	24,245	-	24,245
Institutional Support	26,939	-	26,939
Total Operating Expenses	186,221	-	186,221
CHANGE IN NET ASSETS FROM OPERATIONS	(1,337)	3,487	2,150
NONOPERATING ACTIVITIES			
Contributions	15	3,173	3,188
Net Return on Investments	3,976	15,238	19,214
Endowment Spending Allocation	(12,373)	(19,675)	(32,048)
Actuarial Change in Post-Retirement Benefits	(181)	-	(181)
Change in Value of Perpetual Trust (HASE, Inc.)	-	1,839	1,839
Distribution from Perpetual Trust (HASE, Inc.)	-	(621)	(621)
Change in Value in Split Interest Agreements	2	541	543
Other Nonoperating Activities	(119)	-	(119)
Net Assets Released from Restrictions	1,620	(1,620)	-
CHANGE IN NET ASSETS FROM NONOPERATING ACTIVITIES	(7,060)	(1,125)	(8,185)
CHANGE IN NET ASSETS	(8,397)	2,362	(6,035)
Net Assets - Beginning of Year	28,334	180,807	209,141
NET ASSETS - END OF YEAR	$ 19,937	$ 183,169	$ 203,106

See accompanying Notes to Financial Statements.

UNIVERSITY OF HARTFORD
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2024 AND 2023
(IN THOUSANDS OF DOLLARS)

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	$ 10,714	$ (6,035)
Adjustments to Reconcile Change in Net Assets to Net Cash Used by Operating Activities:		
Gifts In-Kind	(16)	(8)
Bad Debt Expense	1,690	1,140
Depreciation	15,406	14,419
Amortization of Bond Premium	(758)	(544)
Gain on Disposal of Property and Equipment	-	15
Gifts of Securities	(185)	(327)
Gifts Restricted for Long-Term Investment	(2,887)	(3,974)
Net Unrealized and Realized Gain on Investments	(17,845)	(15,647)
Funds Held in Trust by Others	(314)	(256)
Perpetual Trust (HASE, Inc.)	(2,686)	(1,839)
Actuarial Change in Post-Retirement Benefits	(1,548)	181
(Increase) Decrease in Assets:		
Accounts and Loans Receivable	(23)	(996)
Other Assets	(2,180)	(1,545)
Pledges Receivable	(1,276)	(596)
Increase (Decrease) in Liabilities:		
Accounts Payable and Accrued Expenses	(2,891)	(4,659)
Deferred Revenue and Student Deposits	(1,293)	6,933
Post-Retirement Benefit Obligations	(1,858)	(1,156)
Other Liabilities	(282)	(481)
Net Cash Used by Operating Activities	(8,232)	(15,375)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Investments	(33,236)	(46,053)
Proceeds from Sale of Investments	41,513	57,145
Purchases of Property and Equipment	(5,358)	(21,293)
Student Loans Collected	522	1,367
Net Cash Provided (Used) by Investing Activities	3,441	(8,834)
CASH FLOWS FROM FINANCING ACTIVITIES		
Gifts Restricted for Long-Term Investment	2,887	3,974
Payment of Bonds Payable and Other Debt	(7,490)	(2,360)
Proceeds of bonds payable and other debt	12,000	30,500
Payments of Bond Issuance Costs	-	(510)
Net Cash Provided by Financing Activities	7,397	31,604
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS AND RESTRICTED FUNDS	2,606	7,395
Cash and Cash Equivalents and Restricted Funds - Beginning of Year	21,489	14,094
CASH AND CASH EQUIVALENTS AND RESTRICTED FUNDS - END OF YEAR	$ 24,095	$ 21,489

See accompanying Notes to Financial Statements.

UNIVERSITY OF HARTFORD
STATEMENTS OF CASH FLOWS (CONTINUED)
YEARS ENDED JUNE 30, 2024 AND 2023
(IN THOUSANDS OF DOLLARS)

	2024	2023
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash Paid During the Year for Interest	$ 7,104	$ 5,616
SUPPLEMENTAL DISCLOSURES OF NONCASH ACTIVITIES		
Construction Related Assets Included in Accounts Payable	$ 43	$ 563
Gifts of Securities	$ 185	$ 327
Cash and Cash Equivalents	$ 9,806	$ 3,570
Restricted Funds	14,289	17,919
Total	$ 24,095	$ 21,489

See accompanying Notes to Financial Statements.

NOTE 1 ORGANIZATION AND OPERATIONS

Organization

The University of Hartford (the University) was established in 1957 as an independent, privately governed, nonprofit, comprehensive coeducational institution of higher education. The University's main campus is located on approximately 320 acres in Hartford, West Hartford, and Bloomfield, Connecticut and comprises the following degree granting colleges and schools:

- Barney School of Business
- College of Arts and Sciences
- College of Education, Nursing and Health Professions
- College of Engineering, Technology, and Architecture
- Hartford Art School
- Hartt School
- Hillyer College

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying financial statements, which are presented on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP), have been prepared to focus on the University as a whole and to present balances and transactions according to the existence or absence of donor-imposed restrictions.

The University's measure of operations, as presented in the statements of activities, includes income from tuition and fees, auxiliary enterprises, grants and contracts, cash or stock gifts for operating programs, the allocation of endowment spending, and other revenues. Operating expenses are reported on the statements of activities by functional categories after allocating costs for fringe benefits based on the distribution of salary expense, and interest on indebtedness, operations and maintenance of facilities, and depreciation expense, based on square footage.

Revenues

Revenue from contracts with customers is recognized when control of the promised goods or services is transferred in an amount that reflects the consideration to which the University expects to be entitled to in exchange for those goods or services (i.e., the transaction price).

Tuition and Fee Revenue

Revenues from student tuition and fees is reflected net of reductions of institutional student aid and is recognized as the services are provided over the academic year, which generally aligns with the fiscal year. Payments for student services are generally received prior to the commencement of each academic term, and are recorded as a contract liability, presented as deferred revenue.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenues (Continued)

Tuition and Fee Revenue (Continued)

Student tuition and fees are recorded at established rates during the year that the related academic services are rendered, net of financial aid and scholarships provided directly to students. Student tuition and fees are recorded at the time an enforceable contract exists between the University and the student, and recognized over time as services are provided to the student. Campus-based programs are delivered in the Fall (September to December), and Spring (mid-January to mid-May), as well as two Summer terms described below.

The University offers both undergraduate and graduate degrees. During the years ended June 30, 2024 and 2023, gross tuition revenues related to undergraduate courses were $173.9 million and $163.6 million, respectively; gross tuition revenue related to graduate courses were $26.8 million and $23.1 million, respectively; and fee revenue was $10.2 million and $9.6 million, respectively.

Merit and need-based institutional scholarships are awarded to students to defray the costs of the academic programs, which reduce the amount of revenue recognized. Scholarships awarded to students were $112.0 million and $101.9 million in the years ended June 30, 2024 and 2023, respectively. Payments for tuition are due approximately one week prior to the start of classes.

The University offers two primary summer terms: Session I from mid-May to the beginning of July; and Session II from the beginning of July to mid-August. As the University recognizes revenue as services are provided, a contract liability is recorded concerning session II.

Auxiliary Enterprises, Residence, and Dining Fees

Auxiliary enterprises include a variety of services that enhance the quality of student life on campus. Auxiliary service enterprise revenues include the University's residence and dining services, retail operations, catering, and intercollegiate athletics. Expenses associated with auxiliary enterprise activities are reported as a single total and include an allocated portion of the cost of operating and maintaining the University's plant assets, interest and depreciation expense. Aid in excess of a student's tuition and fees is reflected as a reduction of residence and dining fees. Disbursements made directly to students for living or other costs are reported as an expense. Revenue related to dining services is recognized ratably over the period in which the services are delivered. Other auxiliary enterprise revenues are recognized at the point in time in which the services are rendered, or goods exchanged.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenues (Continued)

Deposits and Deferred Revenues

The activity and balances for deposits and deferred revenues from contracts with customers are shown in the following table:

	Tuition and Fees	Auxiliary	Total
Balance at June 30, 2022	$ 921	$ 825	$ 1,746
Revenue Recognized	(921)	(825)	(1,746)
Amounts Received for Future Performance Obligations	478	337	815
Balance at June 30, 2023	$ 478	$ 337	$ 815
Revenue Recognized	(478)	(337)	(815)
Amounts Received for Future Performance Obligations	279	98	377
Balance at June 30, 2024	$ 279	$ 98	$ 377

Other Revenue

Grants and contracts awarded by federal and other sponsors, which are generally considered nonreciprocal transactions restricted by sponsors for certain purposes, are recognized as revenue when qualifying expenditures are incurred and conditions under the agreements are met. The University elected the simultaneous release policy available, which allows the University to recognize a restricted contribution directly in net assets without donor restrictions if the restriction is met in the same period that the revenue is recognized. Total revenue from grants and contracts recognized in net assets without donor restrictions was $4.7 million and $4.9 million for the years ended June 30, 2024 and 2023, respectively. Payments received from sponsors in advance of conditions being met are reported as deferred revenue, which totaled $1.2 and $1.0 million, respectively, as of June 30, 2024 and 2023.

Other Revenue (Continued)

Unconditional contributions, including unconditional promises to give reported as contributions receivable, are recognized as revenues in the period received. Conditional promises to give are not recognized until they become unconditional, that is when the conditions on which they depend are met. Contributions of assets other than cash are recorded at their estimated fair value. Contributions to be received after one year are discounted at the appropriate rate commensurate with the risks involved. Amortization of the discount is recorded as additional contribution revenue in accordance with the donor-imposed restrictions, if any, on the contributions. Expirations of donor-imposed restrictions are reported as net assets released from restrictions on the statements of activities.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Asset Classes

Resources are reported in separate classes of net assets based on the existence or absence of donor-imposed restrictions as follows:

Without Donor Restrictions – Net assets not subject to donor-imposed restrictions. Items that affect this net asset category include activity derived from tuition and other fees related to the core activities of the University, and other institutional resources. Net assets without donor restrictions may be designated for specific purposes by action of the Board of Regents or may otherwise be limited by contractual agreements with outside parties.

With Donor Restrictions – Net assets subject to donor-imposed restrictions that expire with the passage of time, can be fulfilled by actions pursuant to the restrictions, or which may be perpetual, and are restricted to benefit specific schools, departments, or programs of the University that have not yet been met through the disbursement of such assets for their restricted purposes. Such assets and activity primarily include restricted, non-endowed gifts, and net total investment return generated from restricted gifts to endowment as well as trusts and annuities whose ultimate purpose is not permanently restricted and those trusts and annuities whose ultimate purpose is to be maintained in perpetuity.

The University's endowment consists of donor-restricted endowment funds and funds without donor restrictions which have been designated by the Board to act as endowment funds for a variety of purposes. The net assets associated with endowment funds, including funds designated by the Board, are classified and reported based on the existence or absence of donor-imposed restrictions.

Operating results in the statements of activities reflect all transactions increasing or decreasing net assets with and without donor restrictions, except those items associated with long-term investment, change in postretirement benefit obligations, changes in the fair value of derivative instruments, and other infrequent transactions. Net assets released from donor restrictions consist of the release of restriction on donor-restricted net assets due to the donor-imposed purpose being completed or met, or the University appropriating gains for spending.

Cash and Cash Equivalents

Cash and cash equivalents include cash on deposit with banks, as well as short-term investments with maturities of 90 days or less at the date of purchase. At times, cash balances at a limited number of banks and financial institutions may exceed federally insured amounts. Management believes it mitigates credit risk by depositing cash and investing through major financial institutions.

Money market funds held for investment purposes are classified as investments, assets limited to use, or restricted funds, and are not reflected as cash equivalents in the statements of cash flows.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Restricted Funds

On December 5, 2019, the University borrowed funds through the Connecticut Health and Educational Facilities Authority (CHEFA), a conduit issuer. Of the amounts borrowed, $50 million is restricted to the purpose of constructing a new academic building to be utilized to house new, specialized, and technology-rich facilities for programs in the College of Engineering, Technology, and Architecture, and the College of Education, Nursing, and Health. As of June 30, 2024 and 2023, $0 million and $0.8 million remains available to be used by the University.

On July 7, 2022, the University borrowed additional funds through CHEFA. $25.5 million is restricted for the purpose of financing, refinancing, and reimbursing various campus renovation and construction projects. As of June 30, 2024 and 2023, $3.2 million and $6.5 million remains available to be used by the University. On June 20, 2023, the University, in compliance with its bond covenants, established a $10.6 million debt service reserve fund due to the University's rating by S&P falling below "BBB-".

Fair Value Measurements

Fair value is defined under GAAP as the price that would be received upon the sale of an asset or paid upon the transfer of a liability in an orderly transaction between market participants as of the measurement date. Financial instruments measured and reported at fair value are classified and disclosed in one of three categories that prioritize inputs used to measure fair value:

Level 1 – Quoted prices (unadjusted) for identical securities in active markets that the University can access at the measurement date.

Level 2 – Observable prices for similar securities that are based on inputs not quoted in active markets, but corroborated by market data.

Level 3 – Unobservable inputs that are used when little or no market data is available.

Investments

Investments are recorded at fair value. Investments in stocks and bonds, which are traded on national securities exchanges, are valued at end-of-day closing prices.

The University uses net asset value (NAV) reported by fund managers as a practical expedient to estimate fair value of alternative investments that, a) do not have a readily determinable fair value and, b) either have the attributes of an investment company or prepare their financial statements consistent with the measurement principles of an investment company, unless it is probable that all or a portion of the investment will be sold for an amount different from NAV. These investments measured at NAV are not required to be categorized in the fair value hierarchy.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments (Continued)

The University holds interests in certain funds, commingled funds, and other investment structures that invest in securities and other investments at the discretion of investment managers according to the University's investment policy. The funds hold, among other investments, debt and/or equity securities of troubled or restructured companies, and enter into transactions in financial futures, foreign exchange options, forward currency contracts (which are used for hedging and nonhedging purposes), securities purchased under agreements to resell, securities sold under agreements to repurchase, and commingled and other fixed income, domestic equity and global equity funds. Valuation techniques used to measure fair value maximize the use of observable inputs and minimize the use of unobservable inputs.

The University's investment strategy includes alternative investments that have acceptable risk/return characteristics, and which can further the diversification of the investment program. Such investments may include, but are not limited to, global asset allocation strategies, bank loan funds, distressed mortgage debt, infrastructure investments, niche private investments, certain types of hedge funds, and convertible bonds. The University, through its third-party investment advisor, performs ongoing due diligence with the investment managers, including a preliminary due diligence review and approval process and subsequent monitoring, which include site visits, review of audited financial statements, and performance analysis. The University's third-party investment advisor meets formally with the Investment Subcommittee on a regular basis to review performance and make investment recommendations.

Endowment Spending Allocation Policy

The Board of Regents of the University has adopted a spending allocation policy for endowment return to be utilized to support the annual unrestricted operations and restricted programs of the University. Under the University's spending policy, donations made to the Pooled Endowment Fund are added in the quarter the gift or notification is received. The University's endowment spending allocation is calculated based on 4.5% of the lesser of the calculated 12-quarter moving market average or the ending quarterly market value on a unitized basis. The corresponding calculated spending allocations are distributed in quarterly installments. In establishing this policy, the Board considered the expected long-term rate of return on its endowment. Accordingly, over the long-term, the University expects the current spending policy to allow its endowment to grow at least by the current spending rate and inflation annually, consistent with the objectives of providing resources for the underlying purpose of the endowment assets over the life of the endowment, as well as to provide additional growth through new gifts. Actual returns in any given year may vary from this amount.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

U.S. Government Refundable Advances

The University holds certain amounts advanced by the U.S. Government under the Federal Perkins Loan Program (the Program). Under federal law, the authority for the University to make new loans ended on September 27, 2017, and final distributions were permitted through June 30, 2018. The University made its first return of amounts advanced to the U.S. Department of Education on February 13, 2020. Advances from the federal government for student loans in the amount of $1,576 and $1,985 as of June 30, 2024 and 2023, respectively, are included in other liabilities on the accompanying statements of financial position.

Perpetual Trust (HASE, Inc.)

In a state court decision dated January 4, 2002, legal title of the University's Hartford Art School endowment assets was determined to belong to Hartford Art School, Inc. (HAS, Inc.), an organization affiliated with the University. The trust completed a legal name change in a prior year to Hartford Art School Endowment, Inc. (HASE, Inc.). As a result of this decision, the University discloses the HASE, Inc. endowment funds as a perpetual trust.

The University's Hartford Art School is the sole beneficiary of the perpetual trust held by HASE, Inc. Under the terms of the trust, the University has the irrevocable right to receive the income earned on the trust assets in perpetuity. Distributions received by the University are restricted to the benefit of the Hartford Art School. Distributions received from the perpetual trust for fiscal years 2024 and 2023 were $703 and $621, respectively. Changes in fair value of the perpetual trust are recorded in the statements of activities as a change in value of perpetual trust (HASE, Inc.).

Property and Equipment

Land and land improvements, buildings, furniture and equipment, and library books are stated at cost at the date of purchase or at fair value on the date of donation in the case of gifts. The University depreciates property and equipment (excluding land) using the straight-line method beginning in the month of acquisition or capitalization for construction in progress. Useful lives assigned to assets are as follows:

Buildings	50 to 75 Years
Building Improvements	10 to 20 Years
Furniture and Equipment	3 to 10 Years
Library Books	5 Years

It is the University's policy not to capitalize library and art collections.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and Equipment (Continued)

The University recognizes the fair value of a liability for legal obligations associated with asset retirement in the period in which the obligation is incurred. When the liability is initially recorded, the cost of the obligation is capitalized by increasing the carrying amount of the related long-lived asset. The liability is accreted to its present value each period, and the capitalized cost associated with the retirement obligation is depreciated over the useful life of the related asset. Upon settlement of the obligation, any difference between the cost to settle the obligation and the liability recorded is recognized as a gain or loss in the statements of activities. The asset retirement obligation at June 30, 2024 and 2023 was $2.6 million and $2.5 million respectively, and is included in other liabilities in the statements of financial position.

Tax Status

The University is a tax-exempt organization as described in Section 501(c)(3) of the Internal Revenue Code (IRC) and is generally exempt from federal and state income taxes under Section 501(a) of the IRC and applicable state laws, except for unrelated business income. There was no provision for income taxes due on unrelated business income in fiscal years 2024 and 2023, and the University believes it has taken no significant uncertain tax positions.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and disclosure of contingencies at the date of the financial statements and revenues and expenses recognized during the reporting period. Actual results could differ from those estimates.

Leases

The University determines if an arrangement is a lease at inception. ROU assets represent the University's right to use an underlying asset for the lease term and lease liabilities represent the University's obligation to make lease payments arising from the lease. ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. Lease terms may include options to extend or terminate the lease when it is reasonably certain that the University will exercise that option. Lease expense for operating lease payments is recognized on a straight-line basis over the lease term. The University has elected to recognize payments for short-term leases with a lease term of 12 months or less as expense as incurred and these leases are not included as lease liabilities or right of use assets on the statement of financial position.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Recently Adopted Accounting Standards

On July 1, 2023, the College adopted Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2016-13, *Financial Instruments–Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, as amended, which modifies the measurement of expected credit losses. The College adopted this new guidance utilizing the modified retrospective transition method. The adoption of this standard did not have a material impact on the School's financial statements, but did change how the allowance for credit losses is determined.

NOTE 3 LIQUIDITY

As of June 30, 2024 and 2023, financial assets and liquidity resources available within one year for general expenditure, such as: operating expenses, scheduled principal payments on debt, and capitalized construction costs not financed with debt, were as follows:

	2024	2023
Cash and Cash Equivalents	$ 9,806	$ 3,570
Accounts Receivable, Net	6,667	8,217
Pledges Due in One Year or Less Available for Expenditure	2,198	1,989
Endowment Spending Appropriation for the Following Year	8,756	8,955
Total Financial Assets Available Within One Year	$ 27,427	$ 22,731

The University has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, as part of the University's liquidity management, the University invests cash in excess of daily requirements in various short-term investments.

The University has board-restricted endowment funds of $15.6 million and $20 million, respectively, as of June 30, 2024 and 2023.

The University has access to a $12 million line of credit, which can be utilized for general expenditures. As of June 30, 2024 and 2023, the University had $0 million and $10 million respectively, of funds available to draw from this line of credit. During August 2024, the University fully paid down their outstanding balance of $12 million on their line of credit.

NOTE 4 ACCOUNTS AND LOANS RECEIVABLE

Accounts and loans receivable at June 30, consist of:

	2024	2023
Student Accounts Receivable	$ 5,447	$ 6,347
Other Accounts Receivable	2,712	3,400
Student Loans Receivable	717	1,240
Total	8,876	10,987
Allowance for Expected Credit Losses	(1,524)	(1,586)
Accounts and Loans Receivable, Net	$ 7,352	$ 9,401

Allowances for expected credit losses are established based upon prior collection experiences, current and future economic factors, which could influence the ability of students and customers to repay the amounts due to the University.

At June 30, 2024 and 2023, respectively, the balance of the contract assets shown as student accounts receivable, net on the statements of financial position was $3,997 and $4,897. At the beginning of 2023, the balance of contract assets was $5,338.

NOTE 5 PLEDGES RECEIVABLE

Pledges receivable at June 30, are expected to be realized in the following periods:

	2024	2023
In One Year or Less	$ 2,198	$ 1,989
Between Two Years and Four Years	4,108	3,152
In Five Years or More	3,081	3,023
Total	9,387	8,164
Allowance for Uncollectible Pledges and Discount to Present Value (1.2% to 4.5%)	(574)	(487)
Pledges Receivable, Net	$ 8,813	$ 7,677

NOTE 6 INVESTMENTS AND FAIR VALUE

The University's financial assets are shown below by their fair value hierarchy.

	2024				
	Level 1	Level 2	Level 3	Investments Measured at NAV	Total Fair Value
Cash and Cash Equivalents	$ 2,295	$ -	$ -	$ -	$ 2,295
Equities:					
U.S.	46,516	-	-	132	46,648
Non-U.S.	19,275	-	-	52,359	71,634
Fixed Income	18,606	9,727	-	7,399	35,732
Private Equity Funds	-	-	-	23,867	23,867
Hedged Multi-Strategy Funds	-	-	-	5,709	5,709
Real Assets	2,313	-	-	1,829	4,142
Subtotal	89,005	9,727	-	91,295	190,027
Charitable Remainder Trusts	-	-	3,206	-	3,206
Perpetual Trust (HAS, Inc.)	-	-	21,677	-	21,677
Total Investments	$ 89,005	$ 9,727	$ 24,883	$ 91,295	$ 214,910

	2023				
	Level 1	Level 2	Level 3	Investments Measured at NAV	Total Fair Value
Cash and Cash Equivalents	$ 3,401	$ -	$ -	$ -	$ 3,401
Equities:					
U.S.	48,849	-	-	211	49,060
Non-U.S.	17,053	-	-	45,957	63,010
Fixed Income	8,756	9,650	-	9,270	27,676
Private Equity Funds	-	-	-	21,544	21,544
Hedged Multi-Strategy Funds	-	-	-	10,947	10,947
Real Assets	2,287	-	-	2,110	4,397
Subtotal	80,346	9,650	-	90,039	180,035
Charitable Remainder Trusts	-	-	2,736	-	2,736
Perpetual Trust (HAS, Inc.)	-	-	19,387	-	19,387
Total Investments	$ 80,346	$ 9,650	$ 22,123	$ 90,039	$ 202,158

NOTE 6 INVESTMENTS AND FAIR VALUE (CONTINUED)

Instrument	Fair Value 2024	Fair Value 2023	Principal Valuation Technique	Unobservable Inputs
Perpetual Trust (HAS, Inc.)	$ 21,677	$ 19,387	FMV of Trust Investments	Value of Underlying Assets
Charitable Remainder Trusts	3,206	2,736	FMV of Trust Investments	Value of Underlying Assets

Investment liquidity is aggregated in the tables below based on redemption or sale ability as of June 30:

	2024					
	Daily	Monthly	Quarterly	Annual/ Longer	Illiquid	Total
Cash and Cash Equivalents	$ 1,609	$ -	$ 642	$ -	$ 44	$ 2,295
Equities:						
U.S.	46,516	-	-	-	132	46,648
Non-U.S.	19,275	33,539	10,707	7,756	357	71,634
Fixed Income	28,332	4,734	2,457	-	209	35,732
Private Equity Funds	-	-	-	-	23,867	23,867
Hedged Multi-Strategy Funds	-	-	5,649	-	60	5,709
Real Assets	2,313	-	1,796	-	33	4,142
Subtotal	98,045	38,273	21,251	7,756	24,702	190,027
Charitable Remainder Trusts	-	-	-	-	3,206	3,206
Perpetual Trust (HAS, Inc.)	-	-	-	-	21,677	21,677
Total Investments	$ 98,045	$ 38,273	$ 21,251	$ 7,756	$ 49,585	$ 214,910

	2023					
	Daily	Monthly	Quarterly	Annual/ Longer	Illiquid	Total
Cash and Cash Equivalents	$ 3,363	$ -	$ -	$ -	$ 38	$ 3,401
Equities:						
U.S.	48,849	-	-	-	211	49,060
Non-U.S.	17,053	30,036	9,200	6,447	274	63,010
Fixed Income	18,406	4,869	4,225	-	176	27,676
Private Equity Funds	-	-	-	-	21,544	21,544
Hedged Multi-Strategy Funds	-	-	5,883	5,024	40	10,947
Real Assets	2,286	-	2,099	-	12	4,397
Subtotal	89,957	34,905	21,407	11,471	22,295	180,035
Charitable Remainder Trusts	-	-	-	-	2,736	2,736
Perpetual Trust (HAS, Inc.)	-	-	-	-	19,387	19,387
Total Investments	$ 89,957	$ 34,905	$ 21,407	$ 11,471	$ 44,418	$ 202,158

Private equity investments are generally made through limited partnerships. Under the terms of the partnership agreements, the University makes a commitment of a specific amount of capital to a partnership and is obligated to remit committed funding periodically when capital calls are exercised by the General Partner as the partnership executes its investment strategy. Private equity funds are typically structured with investment periods of three to seven years. Subsequent to the expiration of the investment period, a fund is usually prohibited from calling capital for new investments.

The aggregate amount of unfunded commitments associated with private equity investments is $4.4 million and $5.1 million as of June 30, 2024 and 2023, respectively. The timing and amount of future capital calls expected to be exercised in any particular future year is uncertain.

NOTE 7 PROPERTY AND EQUIPMENT

Property and equipment is comprised of the following:

	2024	2023
Land and Land Improvements	$ 16,788	$ 16,788
Building and Building Improvements	371,540	370,517
Furniture and Equipment	52,200	51,300
Library Books	3,972	3,995
Subtotal	444,500	442,600
Less: Accumulated Depreciation	(282,644)	(267,401)
Construction in Progress	3,613	822
Property and Equipment, Net	$ 165,469	$ 176,021

Depreciation expense was $15,406 and $14,419 in 2024 and 2023, respectively.

During 2008, the University entered into an agreement with the state of Connecticut which restricts the use, sale, assignment, transfer, conveyance, or leasing of the Mort and Irma Handel Performing Arts Center without prior consent of the Commissioner of the Department of Economic and Community Development.

NOTE 8 RETIREMENT PLANS

Defined contribution retirement pension benefits are provided to full-time employees through payments to the Teachers' Insurance and Annuity Association (TIAA) and College Retirement Equities Fund (CREF). The University recorded an expense representing the benefit contributions made by the University during fiscal 2024 and 2023 of $4,594 and $4,692, respectively.

The University provides certain retiree medical and life insurance benefits to certain salaried and hourly employees whose years of service plus age equals at least 75 and whose years of service are at least 10 as of December 31, 2005. The plan is closed to employees not meeting those eligibility requirements as of December 31, 2015. The plan no longer provides life insurance benefits to employees within the plan.

NOTE 8 RETIREMENT PLANS (CONTINUED)

Post-retirement health and life insurance plans:

	2024	2023
Change in Benefit Obligation:		
Benefit Obligation - Beginning of Year	$ 6,738	$ 7,713
Interest Cost	165	313
Plan Participant Contributions	490	556
Actuarial Loss	(3,043)	(505)
Benefits Paid	(1,018)	(1,339)
Benefit Obligation - End of Year	$ 3,332	$ 6,738
Change in Plan Assets:		
Fair Value of Plan Assets - Beginning of Year	$ -	$ -
Employer Contributions	528	783
Plan Participant Contributions	490	556
Benefits Paid	(1,018)	(1,339)
Fair Value of Plan Assets - End of Year	$ -	$ -
Components of Net Periodic Post-Retirement Benefit Cost:		
Interest Cost	$ 165	$ 313
Recognized Net Gain	(1,495)	(686)
Net Periodic Post-Retirement Benefit Income	$ (1,330)	$ (373)
Weighted Average Assumptions:		
Benefit Obligation		
Discount Rate	5.34%	5.12%
Net Periodic Benefit Cost		
Discount Rate	5.12%	4.39%

For measurement purposes, a 6.40% annual rate of increase in the per capita cost of covered health care benefits for medical costs was assumed for 2024, and the rate is assumed to decrease to 4.40% in 2025 and remain at this level thereafter.

Contributions

The University contributes a specified percentage of each eligible employee's salary to the plan. Contributions for the years ended June 30, 2024 and 2023 were $0.9 million and $0.8 million, respectively. Expected contributions for the year ending June 30, 2024 are $0.4 million.

NOTE 8 RETIREMENT PLANS (CONTINUED)

Estimated Future Benefit Payments

The following is a schedule of estimated benefit payments, which reflect expected future service for fiscal year ending June 30:

Year Ending June 30,	Amount
2025	$ 361
2026	360
2027	356
2028	340
2029	330
2030-3034	1,423
Total	$ 3,170

Starting in fiscal year 2020, the University offered an early-retirement plan for certain eligible employees. As a part of the plan, the University funded health retirement accounts for all plan members. As of June 30, 2024 and 2023, $2.1 million and $2.8 million, respectively, had been accrued related to this plan.

NOTE 9 BONDS PAYABLE AND OTHER DEBT

Description	2024	2023
Series N Revenue Bonds issued through CHEFA, registered and publicly traded. Original principal $132,000. Serial bonds maturing each July 1, 2021 through 2034 fixed interest rate of 5.00%, aggregate principal $42,545, annual principal payments range from $600 to $4,255; Term bonds, principal amount $24,195 due July 1, 2039, fixed interest rate 4.00%. Term bonds, principal amount $29,460 due July 1, 2044, fixed interest rate 4.00%. Term bonds, principal amount $35,800 due July 1, 2049, fixed interest rate 4.00%. collateralized by various University assets in accordance with the loan agreement.	$ 126,550	$ 129,040
Series P Revenue bonds issued through CHEFA, registered and publicly traded. Original principal of $25,500 maturing July 1, 2052, fixed interest rate of 5.38%. Annual interest only payments of $1,298 to $1,370 are due annually on July 1, 2023 through 2049; principal and interest payments are due annual on July 1, 2050 to July 1, 2052, annual principal payments range from $8,060 to $8,950, collateralize by various University assets in accordance with the loan agreement.	25,500	25,500
Subtotal	152,050	154,540
Plus: Unamortized Premium	8,951	9,781
Less: Deferred Bond Issuance Cost, Net	(1,832)	(1,904)
Total Bonds Payable and Other Debit	$ 159,169	$ 162,417

NOTE 9 BONDS PAYABLE AND OTHER DEBT (CONTINUED)

Principal and Interest payments on the Series N and P bonds are required to be paid to a Trust prior to June 30. Payments are released to the bondholders subsequent June 30. The University records payments to the Trust as assets limited as to use and is included in other assets on the statement of activities. At June 30, 2024 and 2023, assets limited as to use totaled $6.7 million and $6.6 million, respectively. Bonds payable is reduced when payment is released from the Trust to the bondholders. Principal payments required to be paid by the University over a five-year period on notes payable and other debt existing as of June 30, 2024 are as follows:

Year Ending June 30,	Amount
2025	$ 2,610
2026	2,750
2027	2,875
2028	3,030
2029	3,175
Thereafter	137,610
Total	$ 152,050

On December 5, 2019, the University refinanced all existing bonds payable, and issued through CHEFA Series N and Series O for $132 million and $1.7 million, respectively. The University also recognized a premium of $12.2 million related to the Series N debt. In addition to refinancing the previous bonds payable, Series N provides the University $50 million which was primarily used to construct a new academic building. All Series O proceeds were used to pay down the University's interest rate swap on various portions of the previous notes payable.

On July 7, 2022, the University issued through CHEFA Series P for $25.5 million. Series P provides the University $25.5 million restricted for purposes of financing, refinancing and reimbursing various campus renovation and construction projects.

Under the terms of its Revenue Bond agreements, the University is required to satisfy certain financial covenants related to cash balances, long-term debt service coverage, short-term indebtedness, disposals of property, and other non-financial covenants. In addition, the University is precluded from obtaining additional debt without the prior consent of CHEFA.

As of June 30, 2024 and 2023, the University had an agreement for a revolving line of credit of up to $12 million and $15 million, respectively, bearing interest at the variable secured overnight financing rate published by the Federal Reserve Bank of New York plus 2.00% and 1.60%, respectively. Under the terms of the line of credit agreement, certain assets of the University are held as collateral. Borrowings against the line of credit were $12 million and $5 million as of June 30, 2024 and 2023, respectively, and are included in bonds payable and other debt on the statements of financial position.

NOTE 10 ENDOWMENT FUNDS

The University's endowment consists of approximately 700 funds, established for a variety of purposes, including both donor-restricted endowment funds and funds designated by the Board to function as endowments. Net assets associated with endowment funds, including funds functioning as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

The University has interpreted the Connecticut enacted version of the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as, unless stated otherwise in the gift instrument, the assets in an endowment fund should be donor-restricted assets until appropriated for expenditure. The University classifies as donor-restricted net assets, (a) the original value of gifts donated to the endowment, (b) the original value of subsequent gifts to the endowment, and (c) accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment is considered as restricted until those amounts are appropriated for expenditure in a manner consistent with the standard of prudence prescribed by UPMIFA.

In accordance with UPMIFA, the University considers the following factors in making a determination to appropriate or accumulate endowment funds:

- The duration and preservation of the fund
- The purposes of the University and donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the University
- The investment policies of the University

NOTE 10 ENDOWMENT FUNDS (CONTINUED)

The University had the following endowment activities during the years ended June 30:

	2024		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment Net Assets - Beginning of Year	$ 19,937	$ 163,563	$ 183,500
Net Total Investment Return	4,346	17,587	21,933
Gifts and Transfers	-	2,653	2,653
Change in Pledges	-	(237)	(237)
Perpetual Trust (HASE, Inc.)	-	1,983	1,983
Endowment Spending Allocation	(8,687)	(6,372)	(15,059)
Endowment Net Assets - End of Year	$ 15,596	$ 179,177	$ 194,773

	2023		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment Net Assets - Beginning of Year	$ 28,334	$ 163,030	$ 191,364
Net Total Investment Return	3,976	15,238	19,214
Gifts and Transfers	-	3,591	3,591
Change in Pledges	-	161	161
Perpetual Trust (HASE, Inc.)	-	1,218	1,218
Endowment Spending Allocation	(12,373)	(19,675)	(32,048)
Endowment Net Assets - End of Year	$ 19,937	$ 163,563	$ 183,500

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the value of the initial and subsequent donor gift amounts (deficits). When donor endowment deficits exist, they are reported in net assets with donor restrictions. As of June 30, 2024 and 2023, respectively, funds with an original gift value of $477 and $1,426 were “underwater” by $24 and $103. Future market gains will be used to restore this deficit.

In accordance with UPMIFA, the University has the ability to spend from individual endowments that are underwater if it considers such actions to be prudent for that particular endowment, unless stated otherwise in the gift instrument. No such spending occurred in the years ended June 30, 2024 or 2023.

NOTE 10 ENDOWMENT FUNDS (CONTINUED)

At June 30, 2024 and 2023, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions, and consisted of the following (in thousands of dollars):

		With Donor Restrictions			
2024	Without Donor Restrictions	Original Gift	Accumulated Gains	Total	Total Funds 2024
Board-Designated Endowment	$ 15,596	$ -	$ -	$ -	$ 15,596
Donor Restricted	-	106,609	72,568	179,177	179,177
Total	$ 15,596	$ 106,609	$ 72,568	$ 179,177	$ 194,773

		With Donor Restrictions			
2023	Without Donor Restrictions	Original Gift	Accumulated Gains	Total	Total Funds 2023
Board-Designated Endowment	$ 19,937	$ -	$ -	$ -	$ 19,937
Donor Restricted	-	103,922	59,641	163,563	163,563
Total	$ 19,937	$ 103,922	$ 59,641	$ 163,563	$ 183,500

The University has adopted endowment investment and spending policies that attempt to provide a predictable stream of funding to programs supported by the endowment while seeking to maintain the permanent nature of endowment funds. Under this policy, the return objective for the endowment assets, measured over a full market cycle, shall be to maximize the return against a blended index, based on the endowment’s target allocation applied to the appropriate individual benchmarks.

To achieve its long-term rate of return objectives, the University relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized gains) and current yield (interest and dividends). The University targets a diversified asset allocation to achieve its long-term objectives within prudent risk constraints.

NOTE 11 NET ASSETS

Net assets at June 30, consisted of the following:

	2024		
	Without Donor Restrictions	With Donor Restrictions	Total Net Assets
Undesignated	$ -	$ -	$ -
Funding for Facilities		208	208
Funding for Student Aid	-	6,059	6,059
Funding for Institutional Support	-	12,780	12,780
Other	-	-	-
Total	-	19,047	19,047
Endowment Funds:			
Student Aid	522	100,332	100,854
Instructional Support		59,122	59,122
Institutional Support		9,986	9,986
Other	15,074	9,737	24,811
Total Endowment Funds	15,596	179,177	194,773
Total Net Assets	$ 15,596	$ 198,224	$ 213,820

	2023		
	Without Donor Restrictions	With Donor Restrictions	Total Net Assets
Undesignated	$ -	$ -	$ -
Funding for Facilities	-	166	166
Funding for Student Aid	-	5,184	5,184
Funding for Institutional Support	-	12,935	12,935
Other	-	1,321	1,321
Total	-	19,606	19,606
Endowment Funds:			
Student Aid	1,303	89,658	90,961
Instructional Support	-	55,625	55,625
Institutional Support	-	9,395	9,395
Other	18,634	8,885	27,519
Total Endowment Funds	19,937	163,563	183,500
Total Net Assets	$ 19,937	$ 183,169	$ 203,106

NOTE 11 NET ASSETS (CONTINUED)

Net assets were released from donor restrictions as expenses were incurred satisfying the restricted purposes, passage of time or the occurrence of other events specified by donors as follows for the year ended June 30:

	2024	2023
Release of Restrictions:		
Student Aid	$ 4,793	$ 5,717
Student Services and Activities	3,178	851
Instructional Support	5,209	3,194
Institutional Support	249	12,016
Facilities	441	1,620
Total	$ 13,870	$ 23,398

NOTE 12 FUNCTIONAL AND NATURAL CLASSIFICATION OF EXPENSES

The University's primary program service is academic instruction. Expenses reported as auxiliary enterprises, student services, and institutional support are incurred in support of this primary program activity. Natural expenses attributable to more than one functional expense category are allocated using a variety of cost allocation techniques such as square footage, and time and effort.

Expenses by functional and natural classification consist of the following for the years ended June 30:

	2024				
	Instruction	Auxiliary Enterprises	Student Services	Institutional Support	Total
Salaries and Wages	$ 56,823	$ 1,089	$ 7,611	$ 10,937	$ 76,460
Employee Benefits	15,094	312	2,113	3,590	21,109
Depreciation	4,484	7,329	2,453	1,140	15,406
Interest	1,829	2,990	1,001	465	6,285
Utilities, Construction, and Maintenance	8,476	9,117	3,470	3,441	24,504
Supplies, Services, and Other	8,648	16,479	5,953	8,762	39,842
Total	$ 95,354	$ 37,316	$ 22,601	$ 28,335	$ 183,606

	2023				
	Instruction	Auxiliary Enterprises	Student Services	Institutional Support	Total
Salaries and Wages	$ 57,072	$ 1,069	$ 8,324	$ 11,894	$ 78,359
Employee Benefits	16,024	306	2,425	3,808	22,563
Depreciation	4,196	6,860	2,296	1,067	14,419
Interest	1,744	2,851	954	443	5,992
Utilities, Construction, and Maintenance	8,769	9,201	3,751	3,425	25,146
Supplies, Services, and Other	11,001	15,944	6,495	6,302	39,742
Total	$ 98,806	$ 36,231	$ 24,245	$ 26,939	$ 186,221

NOTE 13 COMMITMENTS AND CONTINGENCIES

The University is subject to legal proceedings and claims which arise in the ordinary course of business. In the opinion of management, the amount of ultimate liability, if any, with respect to these actions will not materially affect the financial position, changes in net assets, or cash flows of the University.

NOTE 14 RELATED PARTIES

Members of the University's Board of Regents and senior management may, from time to time, be associated, either directly or indirectly, with companies doing business with the University. The University's conflict of interest policy requires, among other things, that no member of the Board of Regents or its committees can participate in any decision in which he or she (or an immediate family member) has a material financial interest. For members of the Board of Regents and senior management, the University requires an annual disclosure of significant financial interests in, or employment or consulting relationships with, entities doing business with the University. When such relationships exist, measures are taken to address the actual or perceived conflict to protect the best interests of the University and ensure compliance with relevant conflict of interest laws or policy.

NOTE 15 SUBSEQUENT EVENTS

The University has performed an evaluation of subsequent events through October 25, 2024, which is the date the financial statements were available to be issued.