

Connecticut State Universities

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# Annual Comprehensive Financial Report

**for the year ended June 30, 2024**

*Included as an Enterprise Fund of the State of Connecticut*



# **Connecticut State Universities**

## **Annual Comprehensive Financial Report**

**For the Year Ended June 30, 2024**

*Included as an Enterprise Fund of the State of Connecticut*

*Prepared by the Office of the Controller*

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## **INTRODUCTORY SECTION**

**Connecticut State Colleges and Universities**  
**Members of the Board of Regents for Higher Education**  
**As of June 30, 2024**

**APPOINTED BY THE GOVERNOR**

JoAnn Ryan, Chair  
James McCarthy, Vice Chair  
Ira Bloom  
Marty Guay  
Juanita James  
Richard Porth  
Ari Santiago  
Elease E. Wright  
Ted Yang

**APPOINTED BY LEGISLATIVE LEADERS**

Richard J. Balducci  
Sophia Jappinen  
Erin Stewart

**APPOINTED BY STUDENTS**

Luis Sanchez

*As of June 30, 2024 there were two vacancies: one Legislative Appointee and one Student Regent.*

**EX-OFFICIO, NON-VOTING MEMBERS**

Brendan Cunningham	Chair of the Faculty Advisory Committee
Colena Sesanker	Vice Chair of the Faculty Advisory Committee
Dante Bartolomeo	Commissioner of the Connecticut Department of Labor
Charlene Russell-Tucker	Commissioner of the Connecticut Department of Education
Daniel O'Keefe	Commissioner of the Connecticut Department of Economic and Community Development
Dr. Manisha Juthani	Commissioner of the Connecticut Department of Public Health
Kelli-Marie Vallieres	Connecticut Chief Workforce Officer

**Connecticut State University Presidents  
As of June 30, 2024**

**Dr. Zulma Toro, President**

Central Connecticut State University (CCSU)  
1615 Stanley Street  
New Britain, CT 06050

**Dr. Elsa Nunez, President** (retired in June 2024)

Eastern Connecticut State University (ECSU)  
83 Windham Street  
Willimantic, CT 06226

**Dr. Dwayne Smith, Interim President**

Southern Connecticut State University (SCSU)  
501 Crescent Street  
New Haven, CT 06515

**Dr. Manohar Singh, Interim President**

Western Connecticut State University (WCSU)  
181 White Street  
Danbury, CT 06810

**Terrence Cheng, CSCU Chancellor**

System Office, Connecticut State Colleges and Universities (CSCU)  
61 Woodland Street, Hartford, CT 06105

## **FINANCIAL SECTION**

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**GRANT THORNTON LLP**

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**REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS**

The Board of Regents of  
Connecticut State Colleges and Universities

**Opinion**

We have audited the financial statements of the business-type activities and discretely presented component units of the Connecticut State University Entity, (the System Office; Central Connecticut State University; Eastern Connecticut State University; Southern Connecticut State University, and Western Connecticut State University), an enterprise fund of the State of Connecticut (collectively, the "Entity") as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Entity's basic financial statements as listed in the table on contents.

In our opinion, based on our audit and the reports of the other auditors, the accompanying financial statements present fairly, in all material respects, the financial position of the business-type activities and the discretely presented component units of the Entity as of June 30, 2024, and the respective changes in financial position and where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the discretely presented component units (the affiliated foundations (the "Foundations")), whose statements reflected total assets of \$217 million and total net assets of \$213 million as of June 30, 2024, and total revenues and support of \$33 million for the year then ended. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion insofar as it relates to the amounts included for the Foundations, is based solely on the reports of other auditors.

**Basis for opinion**

We conducted our audit of the financial statements in accordance with auditing standards generally accepted in the United States of America (US GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Entity 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.



**Emphasis of Matters***Presentation*

As discussed in Note 1, the financial statements present only the Entity, an enterprise fund of the State of Connecticut and do not purport to, and do not present fairly, the financial position of the State of Connecticut as of June 30, 2024, the changes in its financial position or where applicable, its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

*Change in accounting method*

As discussed in Note 1 to the financial statements, the Entity was required to change its method of accounting for certain fringe benefit expenses and the related state appropriation revenue associated with these expenses in the year ended June 30, 2024.

Our opinion is not modified with respect to these matters.

**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 Entity's ability to continue as a going concern for one year after the date the financial statements are issued.

**Auditor's 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 auditor's 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 US 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 US 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 Entity'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 Entity's ability to continue as a going concern for a reasonable period of time.

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

#### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the accompanying Management's Discussion and Analysis on pages 10 through 19 and the Schedule of Net Pension Liability and Related Ratios, Schedule of Net Post-Employment Benefits and Related Ratios, and Schedule of Contributions on pages 50 through 55 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a required part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with US GAAS. These limited procedures consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

**Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Entity's basic financial statements. The supplemental Combining Statement of Net Position, Combining Statement of Revenues, Expenses, and Changes in Net Position, and Combining Statement of Cash Flows included on pages 56 through 63 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures. These additional procedures included comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with US GAAS. In our opinion, the accompanying supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

*Grant Thornton LLP*

Boston, Massachusetts  
February 25, 2025

## INTRODUCTION

Management's Discussion and Analysis ("MD&A") provides an overview of the financial position and results of activities of the Connecticut State University System ("CSUS" or "System") for the fiscal year ended June 30, 2024 with selected comparative information from fiscal year 2023. This discussion has been prepared by and is the responsibility of management and should be read in conjunction with the financial statements and footnote disclosures.

### Reporting Entity

The Board of Regents for Higher Education was established by the Connecticut General Assembly in 2011 (via Public Act 11-48 as amended by Public Act 11-61) bringing together the governance structure for the four Connecticut State Universities, Connecticut State Community College, and Charter Oak State College, effective July 1, 2011. Effective July 1, 2023, the twelve community colleges were merged under the name Connecticut State Community College ("CT State") and were granted accreditation by the New England Commission of Higher Education ("NECHE"). The Board of Regents for Higher Education is authorized under the provisions of this public act to "serve as the Board of Trustees for the Connecticut State University System."

CSUS is a state-wide public university system of higher learning in the State of Connecticut with approximately 26,600 enrolled students. The Universities offer high-quality applied educational doctoral, graduate and undergraduate programs in more than 150 subject areas and provide extensive opportunities (for internships, community service and cultural engagement). In total, CSUS employed approximately 3,000 full time employees at June 30, 2024.

CSUS is composed of four Universities and the System Office that make up the primary reporting entity. The System's four Universities include:

- Central Connecticut State University (CCSU) in New Britain,
- Eastern Connecticut State University (ECSU) in Willimantic,
- Southern Connecticut State University (SCSU) in New Haven, and
- Western Connecticut State University (WCSU) in Danbury

As comprehensive, fully accredited universities, CSUS institutions are Connecticut's Universities of choice for students of all ages, backgrounds, races and ethnicities. CSUS provides affordable and high quality, active learning opportunities, which are geographically and technologically accessible. CSUS graduates think critically, acquire enduring problem-solving skills and meet outcome standards that embody the competencies necessary for success in the workplace and in life.

### Financial Statements

CSUS's financial report includes the following financial statements and related footnotes: the Statement of Net Position, the Statement of Revenues, Expenses and Changes in Net Position and the Statement of Cash Flows. These financial statements are prepared in accordance with accounting principles generally accepted in the United States of America as defined by the Governmental Accounting Standards Board ("GASB"). As required by GASB Statements No. 34 and 35, fiscal year 2024 financial data is presented, both for the CSUS *primary institution*, as well as for certain other organizations that have a significant related party relationship with CSUS (the "component units").

The component units are the CCSU Foundation, Inc., the ECSU Foundation, Inc., the Southern Connecticut State University Foundation, Inc., the Western Connecticut State University Foundation Inc. and the Connecticut State Colleges and Universities Foundation, Inc. (collectively, the "Foundations"). The Foundations are legally independent, tax-exempt non-profit organizations separate from university control, founded to foster and promote the growth, progress and general welfare of the Universities and to solicit, receive and administer donations for such purposes. The Foundations manage the majority of the Universities' endowments. However, the assets of these component units are not available to CSUS

for use at its discretion. This MD&A discusses the University's financial statements only and not those of its component units.

### **Key Reporting Changes**

In June 2023, the Connecticut General Assembly passed a state budget for the 2024 and 2025 biennium that changed the way fringe is paid for institutions of higher education. Effective July 1, 2023, the State directly funds CSUS employee benefit retirement costs, which are therefore no longer charged to CSUS through a fringe benefit rate assessment, and CSUS funds all non-retirement employee fringe costs. A reduction in appropriations to CSUS is also a result of the State directly covering retirement-related costs for all eligible CSUS employees.

### **Financial Summary**

The Connecticut State University System had total assets of \$1.9 billion, liabilities of \$1.9 billion, and a total net position balance of (\$535.7) million at June 30, 2024. Of the total net position balance, (\$1.6) billion is classified as unrestricted net position, a \$65.3 million increase from 2023. The increase in total net position is attributable to a combination of factors including board-approved tuition rate increases, increased auxiliary revenues as more students returned to dormitories, and increased investment income related to higher interest rates. These factors and other changes are further detailed in the following sections of the MD&A.

The large negative balance in unrestricted net position is a result of the adoption of GASB Statement No. 68 (Pensions) in fiscal year 2015 and GASB Statement No. 75 (Other Post-Employment Benefits) in fiscal year 2018. Adoption of GASB Statement No. 68 required the System to recognize a net liability for pension plans, which was previously disclosed only at the State level. The adoption of GASB Statement No. 75 required the System to recognize the net liability for other post-employment benefits (OPEB).

## **STATEMENT OF NET POSITION**

The Statement of Net Position presents the overall financial position of the System at the end of the fiscal year and includes all assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position of the Connecticut State University System, including capital assets net of depreciation. The Statement of Net Position is a point-in-time financial statement and is used as a measure of the financial condition of the System. This statement presents a snapshot concerning assets classified as current (available for use within one year) and noncurrent (available beyond one year), liabilities categorized as current (due within one year) and noncurrent (due beyond one year), and net position. Assets represent what is owned by or what is owed to the System and are recorded at their current value except for capital assets, which are recorded at historical cost, net of accumulated depreciation and amortization. Liabilities represent what is owed to others or what has been received from others prior to services being provided by the System. A deferred outflow of resources represents the consumption of net assets by the System that is applicable to a future reporting period, whereas a deferred inflow of resources is an acquisition of net assets by the System that is applicable to a future reporting period. The System's net position is the residual value in assets and deferred outflows after liabilities and deferred inflows are deducted. The change in Net Position is one indicator of whether the overall financial condition of the System has improved or worsened during the year.

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

	<u>2024</u>	<u>2023</u>	<u>% Change</u>
<b>ASSETS</b>			
Current assets	\$ 396.8	\$ 406.0	(2.3%)
Non-current assets:			
Capital assets, net	1,267.2	1,302.9	(2.7%)
Other	247.6	215.3	15.0%
Total assets	<u>1,911.6</u>	<u>1,924.2</u>	<u>(0.7%)</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	226.4	517.0	(56.2%)
<b>LIABILITIES</b>			
Current liabilities	149.9	173.2	(13.5%)
Non-current liabilities	<u>1,749.5</u>	<u>2,056.9</u>	<u>(14.9%)</u>
Total liabilities	<u>1,899.4</u>	<u>2,230.1</u>	<u>(14.8%)</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	774.3	772.2	0.3%
<b>NET POSITION</b>			
Net investment in capital assets	998.1	1,015.6	(1.7%)
Restricted nonexpendable	0.6	0.6	0.0%
Restricted expendable	68.1	90.5	(24.7%)
Unrestricted	<u>(1,602.5)</u>	<u>(1,667.8)</u>	<u>3.9%</u>
Total net position (deficit)	<u>\$ (535.7)</u>	<u>\$ (561.1)</u>	<u>4.5%</u>

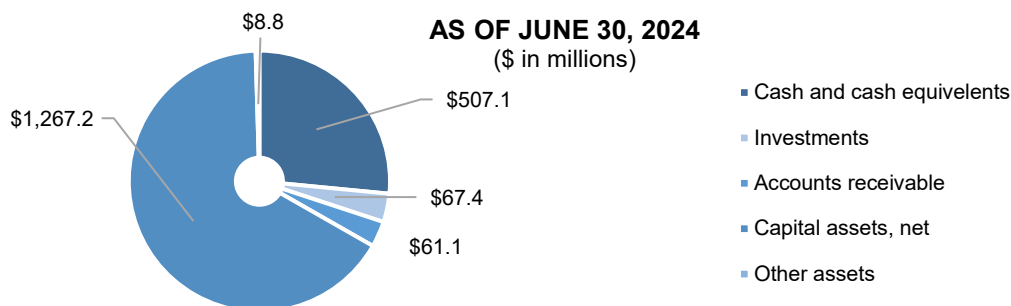
### Assets

Total assets decreased by \$12.6 million in fiscal year 2024 due to the following:

*Current assets* consist of cash, cash equivalents, investments, accounts receivable, and other assets and at June 30, 2024 were \$396.8 million, a \$9.2 million decrease from 2023. This was primarily due to a decrease in investments of \$11.6 million and a decrease in accounts receivable due from the State of \$14.4 million, offset by a \$15.1 million increase in cash. The decrease in investments is primarily driven by bond principal payments of \$21.7 million that are partly offset by investment income. The accounts receivable due from State decreased due to the change in the State's fringe methodology. With the State directly funding retirement-related fringe costs for CSUS employees, there has been a reduction in the State's appropriations for personnel expenses. The increase in cash of \$15.1 million is due to a variety of factors including increased tuition and fees and auxiliary revenues partially offset by increased salaries and wages.

*Total non-current assets* at June 30, 2024 of \$1.5 billion decreased by \$3.3 million primarily due to a net \$35.7 million decrease in capital assets that was largely offset by an increase in cash and cash equivalents of \$31.7 million. The \$35.7 million decrease in net capital assets was driven by \$78.3 million in depreciation and amortization expense that was partially offset by additions of \$44.9 million primarily related to building and building improvement projects. Two building openings in Fall 2023 were SCSU's School of Business building and WCSU's new Berkshire Hall Student Center. A significant construction project that has an estimated completion date in fiscal year 2025 is the Elihu Burritt Library addition at CCSU.

The following graph shows total assets by major category:



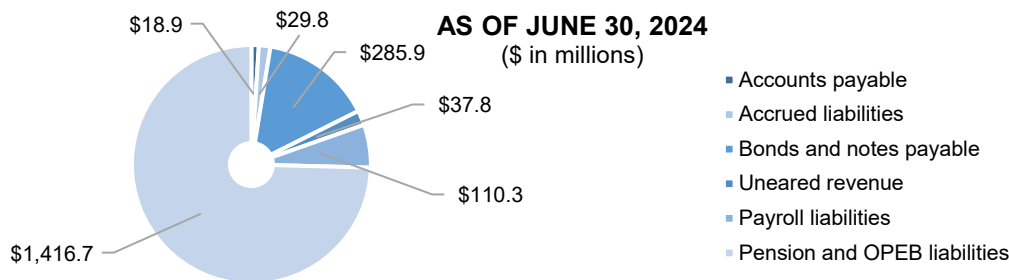
**Liabilities**

Total liabilities decreased by \$330.7 million in fiscal year 2024 due to the following:

*Current liabilities* at June 30, 2024 of \$149.9 million decreased by \$23.3 million. The primary factors for the decrease were a \$14.9 million decrease in accounts payable, a \$10.0 million decrease in accrued salaries and benefits, and a \$2.1 million increase in unearned tuition and grant revenue. The changes in accounts payable and unearned grant revenue were due to timing. The decrease in accrued payroll and related benefits was due to CSUS retirement costs now being directly covered by the State.

*Non-current liabilities* at June 30, 2024 of \$1.7 billion decreased by \$307.4 million which is primarily due to a decrease in the pension liability of \$221.1 million and a decrease in the OPEB liability of \$59.1 million. The decrease in pension liability was primarily driven by transfers from the State’s reserve fund as surplus contributions to the SERS and TRS plans which reduced the CSUS liability allocation. Fiscal year 2023 was the fifth consecutive fiscal year that the State made excess contributions to the plans with those contributions totaling over \$8.5 billion. The OPEB liability decreased largely due to the CSUS proportionate share decreasing from 6.10% in fiscal year 2022 to 5.95% in fiscal year 2023 and an increase in the discount rate for contributory members from 3.90% to 6.90%. Bonds payable also decreased in fiscal year 2024 due to \$23.0 million in principal debt service payments.

The following graph shows total liabilities by major category:



**Deferred Outflows and Deferred Inflows of Resources**

*Deferred inflows and outflows of resources* are related to future periods. This is primarily related to the impact of recognizing net pension and net OPEB liabilities and refunding of debt. For pension and OPEB net liabilities they reflect differences between projected and actual assumptions and earnings, changes in actuarial assumptions, changes in proportion and differences between contributions and proportionate share of contributions and employer contributions subsequent to the measurement date. The difference between the reacquisition price and the net carrying amount of the old debt is reported as a deferred outflow of resources (loss) or deferred inflow of resources (gain).

**NET POSITION**

*Net investment in capital assets* represents the System’s capital assets net of accumulated depreciation and outstanding principal balances of debt attributable to the acquisition, construction, or improvement of those assets.

*Restricted net position* is divided into two classifications, expendable and nonexpendable. Restricted expendable net position is subject to externally imposed restrictions governing its use. In the System, restricted expendable net position primarily represents unexpended proceeds from bond issuances for capital projects and the residual balances of the System’s unexpended grant funds. Restricted nonexpendable net position comprises the System’s permanent funds such as the Endowment Fund. Most endowed funds are held with the individual institutions’ foundations for the benefit of the Universities.

*Unrestricted net position* (UNP) represents funds available to support CSUS activities and operations at the discretion of the Board of Regents, the President, and the University Presidents. Unrestricted net position is negative due to the System’s share of the State’s pension plan’s net pension liability and OPEB. Although unrestricted net position is not subject to externally imposed restrictions, substantially all of the System’s reserves are allocated for academic initiatives or programs and for capital and other purposes, including University fee receipts and parking fee receipts that have been designated by universities to meet debt service obligations. Without reflecting the net pension and OPEB liabilities, unrestricted net position increased \$77.1 million from 2023 to 2024.

The table below illustrates the effects of GASB 68 and GASB 75 on the CSUS’s net position at June 30 (\$ in millions):

	<b>2024</b>	<b>2023</b>	<b>% Change</b>
<b>NET POSITION</b>			
Net investment in capital assets	\$ 998.1	\$ 1,015.6	-1.7%
Restricted nonexpendable	0.6	0.6	0.0%
Restricted expendable	68.1	90.5	-24.8%
Unrestricted	(1,602.5)	(1,667.8)	3.9%
Total net position (deficit)	(535.7)	(561.1)	4.5%
Pension and OPEB Impact (GASB 68 and 75)	1,966.6	1,954.8	0.6%
Total Net Position, Excluding Pension and OPEB	<u>\$ 1,430.9</u>	<u>\$ 1,393.7</u>	<u>2.7%</u>
Unrestricted Net Position, Excluding Pension and OPEB	\$ 364.1	\$ 287.0	26.9%



## CAPITAL AND RELATED DEBT ACTIVITIES

Capital assets, net of accumulated depreciation and amortization, consisted of the following at June 30 (\$ in millions):

	2024	2023	% Change
Land	\$ 19.7	\$ 19.9	(1.0%)
Buildings & improvements	2,109.3	2,067.2	2.0%
Land improvements	111.7	107.6	3.8%
Furniture, fixtures & equipment	152.8	150.0	1.9%
Library books and collections	21.0	22.0	(4.5%)
Right of use assets	32.4	31.6	2.5%
Construction in progress	42.7	61.5	(30.6%)
Total capital assets	2,489.6	2,459.8	1.2%
Less accumulated depreciation and amortization	1,222.4	1,156.9	5.7%
Capital assets, net	\$ 1,267.2	\$ 1,302.9	(2.7%)

In addition to its capital plan for academic and related facilities that are supported by State general obligation bonds, the System is in the twenty-ninth year of its long-range capital plan for the renovation and development of auxiliary service facilities. There were no new bond issuances during 2023 or 2024.

## STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

The Statement of Revenues, Expenses and Changes in Net Position presents either an increase or decrease in net position based on the revenues earned, the expenses incurred, and any other gains and losses recognized by the CSUS. Revenues and expenses are classified as operating, nonoperating, or other changes in net position according to definitions prescribed by GASB.

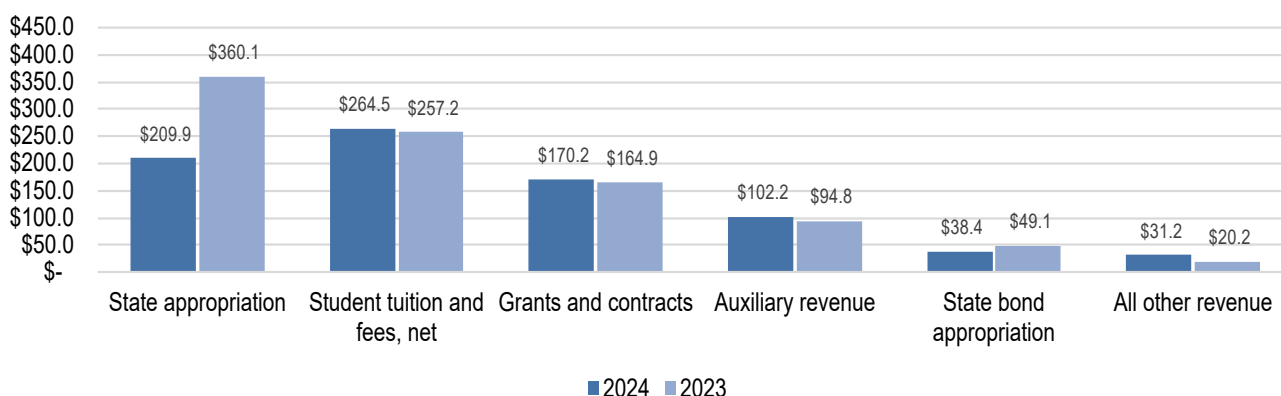
The following table shows a Condensed Schedule of Revenues, Expenses, and Changes in Net Position for the fiscal years ended June 30 (\$ in millions):

	<b>2024</b>	<b>2023</b>	<b>% Change</b>
<b>OPERATING REVENUES</b>			
Tuition and fees, net	\$ 264.5	\$ 257.2	2.8%
Auxiliary revenues	102.2	94.8	7.8%
Grants and indirect cost recoveries	39.0	42.9	(9.2%)
Other	5.5	5.5	0.0%
Total operating revenues	<u>411.2</u>	<u>400.4</u>	<u>2.7%</u>
<b>OPERATING EXPENSES</b>			
Expenses before depreciation and amortization	712.5	660.2	7.9%
Depreciation and amortization	78.4	73.2	7.1%
Total operating expenses	<u>790.9</u>	<u>733.4</u>	<u>7.8%</u>
Operating loss	<u>(379.7)</u>	<u>(333.0)</u>	<u>(14.0%)</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>			
State appropriations - general fund	209.9	360.1	(41.7%)
State appropriations - bond fund	38.4	49.1	(21.8%)
Pell grant revenue	44.4	38.3	15.9%
Federal emergency grant revenue	86.8	83.7	3.7%
Investment income	30.2	19.2	57.3%
Other	(4.6)	(4.5)	(2.9%)
Total non-operating revenues (expenses)	<u>405.1</u>	<u>545.9</u>	<u>(25.8%)</u>
<b>NET POSITION</b>			
Change in net position	25.4	213.0	88.1%
Net position, beginning of year	<u>(561.1)</u>	<u>(774.1)</u>	<u>27.5%</u>
Net position, end of year	<u>\$ (535.7)</u>	<u>\$ (561.1)</u>	<u>4.5%</u>

**Revenues**

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

**REVENUE SUMMARY BY CATEGORY (IN MILLIONS)**

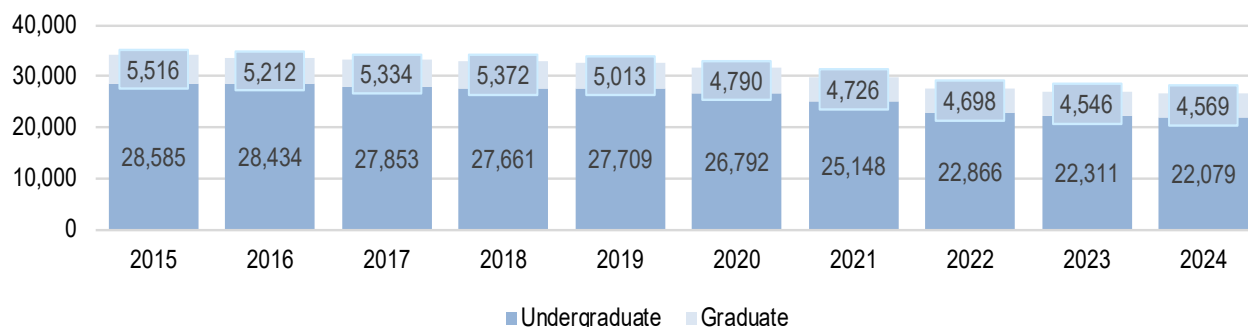


**Operating Revenues**

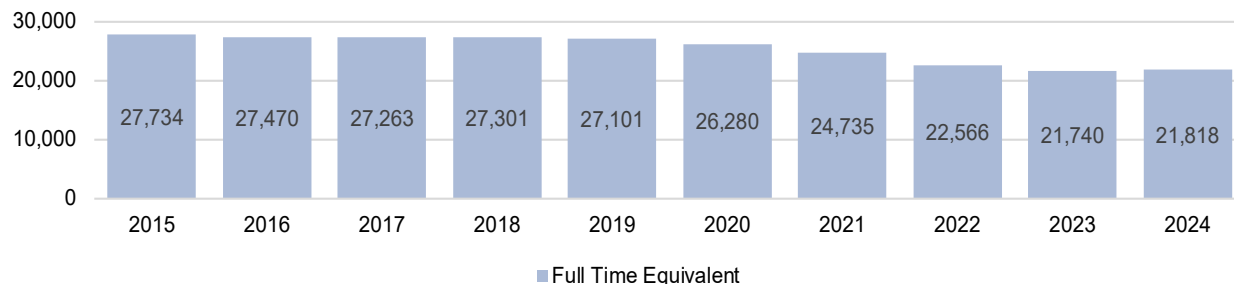
Total *operating revenues* for fiscal year 2024 were \$411.2 million after the reduction for scholarship allowances, an increase of \$10.8 million from fiscal year 2023. *Student tuition and fees* represent the largest portion of operating revenue on a gross basis but are offset by student financial aid and waivers of \$67.8 million, resulting in net tuition and fee revenue of \$264.5 million. On a gross basis, fiscal year 2024 tuition revenues increased by 3.5% from the previous year, primarily the result of a 3% increase in tuition rates. Tuition and fee revenues also reflect a small increase in FTE credit enrollment from 21,740 in fall 2023 to 21,818 in fall 2024. Auxiliary revenues, which are mainly driven by room and board fees, increased by \$7.4 million, a 7.8% increase, due to more students returning to dormitories combined with an increase in rates.

The graphs below present headcount and full-time equivalent enrollment over the last 10 years:

**FALL HEADCOUNT ENROLLMENT  
 10-YEAR COMPARISON**



**FALL FULL TIME EQUIVALENT ENROLLMENT  
 10-YEAR COMPARISON**



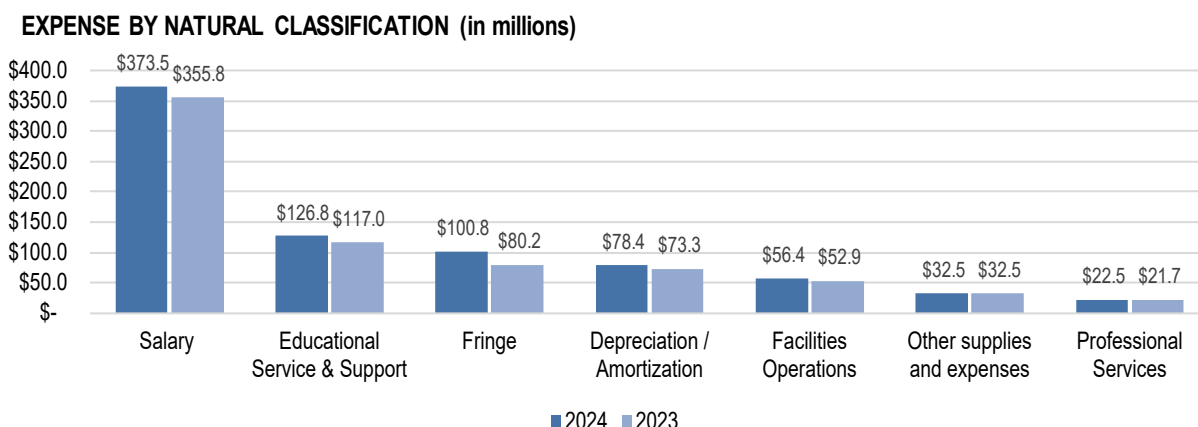
**Nonoperating Revenue and Expenses**

*Nonoperating revenue and expenses* includes state appropriations, certain federal grants, private gifts and donations, investment income, and interest expense. In fiscal year 2024, state appropriations of \$248.3 million were \$161.0 million lower than in fiscal year 2023. State appropriations are received for both operating and capital purposes, and \$150.2 million of the decrease resulted from State legislation that changed how fringe benefit costs are supported for higher education constituent units effective July 1, 2023. Instead of fringe being a component of operating appropriations, the State now covers the fringe benefits of retirement-related costs and the higher education units fund non-state retirement costs such as medical insurance, life insurance, social security and Medicare taxes. In fiscal year 2024, the majority of State appropriation dollars for operating purposes were used to fund salaries and in fiscal year 2023, which was prior to implementation of the legislative change, these appropriations primarily funded salaries and fringe benefits. There were also temporary funding allotments during fiscal 2024 and 2023 to provide additional operating support. Capital appropriations decreased \$10.8 million from fiscal 2023 as several bond funded projects have been completed. Federal emergency grant revenues are primarily from APRA grants and other COVID-related grants awarded to the CSUS. CSUS's allocation from the State's American Rescue

Plan Program (ARPA) totaled \$83.4 million in fiscal year 2024. Investment income increased by \$10.9 million primarily due to higher interest rates in fiscal year 2024.

### **Operating Expenses**

The following graph shows the CSUS operating expenses by natural classification:



In fiscal 2024, total *operating expenses* less depreciation and amortization of \$712.6 million increased by \$52.4 million from the prior fiscal year primarily due to increased salary and fringe expenses. The \$17.7 million increase in salary in fiscal 2024 was primarily due to wage increases set by collective bargaining agreements. Fringe benefits increased by \$20.6 million in fiscal year 2024 primarily due to increased pension and OPEB expenses that were partially offset by the impact of a legislative change whereby CSUS no longer funds retirement contributions for State employees. In accordance with GASB guidance, CSUS recognizes its share of unfunded pension and OPEB liabilities and expenses from the State's defined benefit pension and OPEB plans. These noncash adjustments, which recorded pension and OPEB expenses for the measurement period ended June 30, 2023, increased by \$119.2 million and \$34.7 million, respectively. The \$119.2 million increase in pension expense was primarily due to the State transfer from budget surpluses lowering the State's collective pension expense in the previous fiscal year and therefore CSUS's proportionate share. There have been budget surplus transfers to the State's pension funds since fiscal year 2020, but the \$4.1 billion in surplus transfers that favorably impacted pension expense recorded in fiscal year 2023, was significantly higher than the \$1.8 billion in transfers impacting fiscal year 2024. OPEB expense was higher in fiscal year 2024 due in part to changes in actuarial assumptions (see Note 11) and amortization of prior year deferrals increasing expense. As stated in the previous "Key Reporting Changes" section, effective July 1, 2023, CSUS no longer funds retirement contributions for employees participating in State retirement plans, as these contributions are now covered by the State. As a result of this legislative change, there was a \$133.4 million decrease in fringe benefits charged by the State to CSUS for fiscal 2024, which partially offset the \$153.9 million combined increase for pension and OPEB expenses.

### **Other Changes in Net Position**

*Other changes in net position* include the state appropriations for capital purposes and loss on disposal of assets. The \$12.4 million decrease in fiscal 2024 to \$36.0 million was primarily the result of a \$10.8 million decrease in State capital appropriations.

### **STATEMENT OF CASH FLOWS**

The statement of cash flows presents the significant sources and uses of cash. Cash flows from operating activities is expected to be different from the operating loss amount on the Statement of Revenues, Expenses, and Changes in Net Position. The difference results from noncash items such as depreciation and amortization expense, and in the use of the accrual basis of accounting in preparing the Statement of Revenues, Expenses, and Changes in Net Position. The Statement of Cash Flows shows cash inflows and outflows without regard to accruals.

The System’s cash and cash equivalents at June 30, 2024 increased \$46.8 million. This increase was driven by a variety of factors including the following increased and decreased cash flows: a \$12.0 million increase in investment income, \$5.8 million increase in tuition and fees, \$7.8 million increase in auxiliary revenues, and a \$5.9 million decrease in principal and interest payments. As illustrated in the chart below, there was a significant reduction in operating activity cash outflows and non-capital financing activity inflows, both of which are the result of the State now directly covering retirement-related fringe costs.

The following table shows a Condensed Statement of Cash Flows for the fiscal years ended June 30 (\$ in millions):

	<u>2024</u>	<u>2023</u>	<u>% Change</u>
<b>NET CASH PROVIDED BY (USED IN)</b>			
Operating activities	\$ (299.0)	\$ (430.2)	30.5%
Non-capital financing activities	360.4	507.9	(29.0%)
Capital and related financing activities	(58.2)	(28.6)	(103.5%)
Investing activities	43.6	36.4	19.8%
Net change in cash and cash equivalents	46.8	85.5	(45.3%)
<b>CASH AND CASH EQUIVALENTS</b>			
Cash and cash equivalents, beginning of year	460.3	374.8	22.8%
Cash and cash equivalents, end of year	\$ 507.1	\$ 460.3	10.2%

## ECONOMIC OUTLOOK

In June 2024, the Board of Regents approved an annual operating budget for 2025 of \$724.8 million, supported by revenues of \$730.9 million, resulting in a net surplus of \$6.1 million. The budget includes gross tuition and fee revenue at \$435.8 million, a 7.7% increase, which reflects increased enrollment at some universities and a 5% increase in tuition and fees. Auxiliary revenues are also projected to increase with housing by 5.3% and food services by 6.8%. A \$2.6 million or 1.5% increase in operating State appropriations is budgeted. To further alleviate rising operating costs, the CSU’s will be receiving \$62.9 million in fiscal year 2025 from the State’s ARPA allocation and \$16.4 million in temporary operating support. Personnel and related costs have always been the largest area of expenditures and include State Employee Bargaining Agent Coalition (“SEBAC”) raises that were effective July 1, 2024. The 2025 budget for salaries and fringe, which does not include OPEB and pension expenses, is \$478.0 million, a \$24.3 million increase over those same expenses in fiscal 2024. With the significant temporary financial support that CSUS has been receiving since the COVID pandemic, it is critical that CSUS find ways to mitigate the future loss of that support. The CSUS is implementing a mitigation plan that includes looking for opportunities to produce alternative revenue sources and refine efforts on increasing enrollment and retention, as well as increasing fiscal savings where possible.

### Additional Information

This financial report is designed to provide a general overview of CSUS’s finances and to show accountability for the funds it receives. Questions about this report or requests for additional financial information should be directed to the CSCU Chief Financial Officer. University specific questions may also be directed to the Chief Financial Officer at each individual University.

	<u>2024</u>
<b>Assets</b>	
Current assets	
Cash and cash equivalents	\$ 293,149,923
Investments	37,656,187
Accounts receivable, net	16,446,236
Due from the State of Connecticut	40,735,299
Prepaid expenses and other current assets	<u>8,782,039</u>
Total current assets	<u>396,769,684</u>
Noncurrent assets	
Cash and cash equivalents	213,972,212
Investments	29,741,796
Accounts receivable, net	3,919,342
Other assets	21,230
Investment in capital assets, net of accumulated depreciation	<u>1,267,208,804</u>
Total noncurrent assets	<u>1,514,863,384</u>
Total assets	<u>\$ 1,911,633,068</u>
<b>Deferred outflows of resources</b>	
Deferred pension	\$ 115,824,348
Deferred other post employment benefits	106,769,262
Deferred loss on bond refunding	<u>3,782,859</u>
Total deferred outflows of resources	<u>\$ 226,376,469</u>

The accompanying notes are an integral part of these financial statements.

	<u>2024</u>
<b>Liabilities</b>	
Current liabilities	
Accounts payable	\$ 18,599,461
Accrued salaries and benefits	45,726,507
Accrued compensated absences	6,479,594
Due to the State of Connecticut	347,108
Unearned tuition, fees and grant revenue	37,807,950
Bonds payable	21,370,000
Note payable	3,139,036
Accrued bond interest payable	1,351,496
Leases payable	340,460
Subscription liabilities	4,705,865
Other liabilities	3,125,585
Depository accounts	6,930,644
Total current liabilities	<u>149,923,706</u>
Noncurrent liabilities	
Accrued compensated absences	58,110,775
Bonds payable	245,648,227
Note payable	15,695,188
Federal loan program advances	1,164,981
Leases payable	342,719
Subscription liabilities	8,016,720
Other noncurrent liabilities	3,784,507
Pension liability, net	554,403,575
Other post employment benefits, net	862,283,562
Total noncurrent liabilities	<u>1,749,450,254</u>
Total liabilities	<u>\$ 1,899,373,960</u>
<b>Deferred inflows of resources</b>	
Deferred pension	\$ 329,317,309
Deferred other post employment benefits	443,211,015
Deferred lease inflows	1,819,701
Total deferred inflows of resources	<u>\$ 774,348,025</u>
<b>Net Position</b>	
Net investment in capital assets	\$ 998,123,395
Restricted	
Nonexpendable	542,152
Expendable	68,121,445
Unrestricted	<u>(1,602,499,440)</u>
Total net position (deficit)	<u>\$ (535,712,448)</u>

The accompanying notes are an integral part of these financial statements.



	<u>2024</u>
<b>Assets</b>	
Cash and cash equivalents	\$ 9,594,185
Investments	196,891,146
Contributions and other receivables	5,341,346
Prepaid expenses and other assets	811,355
Beneficial interest in trusts	759,832
Land, buildings and equipment, net	3,473,696
Total assets	<u>\$ 216,871,560</u>
<b>Liabilities</b>	
Accounts payable and accrued expenses	1,733,419
Other liabilities	2,433,495
Total liabilities	<u>4,166,914</u>
<b>Net Assets</b>	
Without donor restrictions	11,269,242
With donor restrictions	201,435,404
Total net assets	<u>212,704,646</u>
Total liabilities and net assets	<u>\$ 216,871,560</u>

The accompanying notes are an integral part of these financial statements.



**Connecticut State University System**Statement of Revenues, Expenses and Changes in Net Position  
Year Ended June 30, 2024

	<u>2024</u>
Operating revenues	
Tuition and fees	
Tuition and fees	\$ 332,340,719
Less	
Scholarships allowance	(46,797,337)
Waivers	<u>(20,999,801)</u>
Tuition and fees, net of scholarship allowances and waivers	264,543,581
Federal grants and contracts	22,987,781
State and local grants and contracts	7,885,702
Nongovernment grants and contracts	7,469,288
Indirect cost recoveries	671,015
Auxiliary revenues	102,179,322
Other operating revenues	<u>5,459,833</u>
Total operating revenues	<u>411,196,522</u>
Operating expenses	
Salaries and wages	373,507,432
Fringe benefits	100,792,215
Professional services and fees	22,456,988
Educational services and support	126,821,281
Travel expenses	6,564,209
Operation of facilities	56,438,833
Other operating supplies and expenses	25,976,909
Depreciation expense	70,835,685
Amortization expense	<u>7,521,489</u>
Total operating expenses	<u>790,915,041</u>
Operating loss	<u>(379,718,519)</u>
Nonoperating revenues (expenses)	
State appropriations	209,874,918
Pell grant revenue	44,361,541
Federal emergency grant revenue	86,837,014
Gifts	5,051,945
Investment income	30,161,022
Interest expense	(8,554,004)
Other nonoperating revenues (expenses), net	<u>1,413,091</u>
Net nonoperating revenues (expenses)	369,145,527
Loss before other changes in net position	(10,572,992)
Other changes in net position	
State appropriations restricted for capital purposes	38,394,108
Loss on disposal of capital assets	<u>(2,418,691)</u>
Other changes in net position	<u>35,975,417</u>
Change in net position	25,402,425
Net position at beginning of year	<u>(561,114,873)</u>
Net position at end of year	<u>\$ (535,712,448)</u>

The accompanying notes are an integral part of these financial statements.

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2024 Total</u>
<b>Revenues, gains and other support</b>			
Contributions	\$ 3,644,373	\$ 7,799,084	\$ 11,443,457
Program income	110,373	148,676	259,049
Investment gain, net	1,290,175	19,700,997	20,991,172
Other income (loss)	644,303	(560,301)	84,002
Gain (loss) on disposal of assets	(3,827)	113,781	109,954
Net assets released from restrictions	11,065,153	(11,065,153)	-
Total revenues, gains and other support	<u>16,750,550</u>	<u>16,137,084</u>	<u>32,887,634</u>
<b>Operating expenses</b>			
Program services	11,514,448	253,974	11,768,422
Management and general	2,356,361	576	2,356,937
Fundraising	1,342,359	-	1,342,359
Total operating expenses	<u>15,213,168</u>	<u>254,550</u>	<u>15,467,718</u>
Transfers between funds	<u>(96,021)</u>	<u>96,021</u>	<u>-</u>
Change in net assets	1,441,361	15,978,555	17,419,916
<b>Net assets</b>			
Beginning of year	<u>9,827,881</u>	<u>185,456,849</u>	<u>195,284,730</u>
End of year	<u>\$ 11,269,242</u>	<u>\$ 201,435,404</u>	<u>\$ 212,704,646</u>

The accompanying notes are an integral part of these financial statements.

**Connecticut State University System**

## Statement of Cash Flows

Year Ended June 30, 2024



	<u>2024</u>
<b>Cash flows from operating activities</b>	
Tuition and fees	\$ 264,633,454
Grants and contracts	40,690,461
Auxiliary revenues	100,383,792
Other operating revenues	5,147,062
Payments to employees for salaries and benefits	(469,823,293)
Payments to suppliers	(5,879,404)
Professional services and fees	(22,481,988)
Educational services and support	(126,821,280)
Travel expenses	(6,564,209)
Operation of facilities	(56,438,832)
Other operating supplies and expenses	(21,856,741)
Net cash used in operating activities	<u>(299,010,978)</u>
<b>Cash flows from noncapital financing activities</b>	
State appropriations	223,015,451
Gifts for other than capital purposes	5,051,946
Nonoperating grants and revenue other	132,312,265
Net cash provided by noncapital financing activities	<u>360,379,662</u>
<b>Cash flows from investing activities</b>	
Proceeds from sales and maturities of investments	43,273,421
Purchases of investments	(30,731,498)
Interest and dividends received on investments	31,120,213
Net cash provided by investing activities	<u>43,662,136</u>
<b>Cash flows from capital and related financing activities</b>	
Purchases of capital assets	(59,692,074)
State capital appropriations received	39,874,490
Principal paid on debt and other obligations	(29,270,442)
Interest paid on debt and other obligations	(9,070,793)
Net cash used in capital and related financing activities	<u>(58,158,819)</u>
Net increase in cash and cash equivalents	46,872,001
Cash and cash equivalents, beginning of year	<u>460,250,134</u>
Cash and cash equivalents, end of year	<u>\$ 507,122,135</u>

The accompanying notes are an integral part of these financial statements.

	<u>2024</u>
<b>Reconciliation of operating loss to net cash used in operating activities</b>	
Operating loss	\$ (379,718,519)
Adjustments to reconcile operating loss to net cash used in operating activities	
Depreciation expense	70,835,685
Amortization	7,521,489
Changes in assets and liabilities:	
Receivables	(2,961,783)
Prepaid expenses and other	(594,500)
Accounts payable	(879,239)
Accrued salaries and benefits	(9,978,047)
Other liabilities	2,231,871
Due to/from the State of Connecticut	6,140
Unearned tuition, fees and grant revenues	2,009,440
Deferred compensation	(409,428)
Depository accounts	39,001
Accrued compensated absences	784,771
Pension Liability	(221,142,658)
Other post employment benefits	(59,118,005)
Changes in deferred outflows	290,214,064
Changes in deferred inflows	2,148,740
Net cash used in operating activities	<u>\$ (299,010,978)</u>
<b>Noncash financing activity</b>	
Fixed assets included in accounts payable	\$ 4,497,198
<b>Reconciliation of cash and cash equivalents to the combined statements of net position</b>	
Cash and cash equivalents classified as current assets	\$ 293,149,923
Cash and cash equivalents classified as noncurrent assets	<u>213,972,212</u>
	<u>\$ 507,122,135</u>

The accompanying notes are an integral part of these financial statements.

## 1. Summary of Significant Accounting Policies

### Organization

The Connecticut State Colleges and Universities System (“CSCU”) was established by the State of Connecticut (the “State”) in 2011 via Public Act 11-48 as amended by Public Act 11-61. This brought together the governance structure for the Connecticut State University System (“CSUS”), the Connecticut Community College System (“CCC”) and Charter Oak State College (“COSC”) under the newly formed Board of Regents (BOR) for Higher Education. Effective July 1, 2023, the twelve community colleges were merged under the name Connecticut State Community College (“CT State”) and were granted accreditation by the New England Commission of Higher Education (“NECHE”). Separate financial statements are issued for CT State and COSC.

CSCU consists of six separate institutions including four state universities, CT State (comprised of twelve campuses), and Charter Oak State College. The CSCU system offers associate degrees, baccalaureate, graduate and certificate programs, applied doctoral degree programs in education as well as short-term certificates and individual coursework in both credit and noncredit programs.

The System Office administers certain activities centrally for the provision of management information systems and services to the Universities. Primary among these activities are administration of certain system-wide information systems, telecommunications, capital projects planning and rebudgeting, technical support and debt service. Costs of such activities, including the allocation of funds to the Universities from bond proceeds, are included in the activity of the System Office and supported by revenues from State appropriations and Universities’ tuition and fee revenues which are allocated to the System Office through the budget allocation process. Such activities are eliminated in the statement of revenues, expenses and changes in net position.

### Basis of Presentation

The financial statements for the CSUS institutions have been prepared using the economic resources measurement focus and the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP), as prescribed by the Government Accounting Standards Board (GASB). Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. These financial statements include the statements of CSUS institutions (the System) which includes: Central Connecticut State University (CCSU), Eastern Connecticut State University (ECSU), Southern Connecticut State University (SCSU), Western Connecticut State University (WCSU), and System Office (SO) and their aggregate discretely presented component units (the foundations that support the four universities and the System Office).

CSUS’s financial statements include three statements: the statement of net position, the statement of revenues, expenses, and changes in net position and the statement of cash flows.

- The statement of net position presents information on all of the system’s assets, liabilities, deferred outflows and inflows, and net position.
- The statement of revenues, expenses and changes in net position presents information showing how the incumbent system’s net position changed during the fiscal years presented. All changes in net position are reported when the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, certain revenues and expenses are reported in the statement for items that will only result in cash flows in future fiscal periods (e.g., the accrual for compensated absences).
- The statement of cash flows is presented using the direct method. The direct method of cash flow reporting portrays net cash flow from operations by major class of operating receipts and expenditures (e.g., payments to employees for salaries and benefits).

Several legally separate, tax-exempt, affiliated organizations (the “Foundations”) must be considered component units of the CSUS and are presented discretely in these financial statements. The Foundations act primarily as fund-raising organizations to supplement the resources that are available to the Universities in support of their programs. Although the Universities do not control the timing or amount of receipts from the Foundations, the majority of resources or income thereon that the Foundations hold and invest is restricted to the activities of the Universities by the donors. Since these restricted resources held by the Foundations can only be used by, or for the benefit of, the Universities, the Foundations are considered component units of CSUS primary institutions.

The disclosures included in the financial statements address only the Universities and not the related Foundations. No modifications have been made to the Foundation’s financial information in CSUS’s financial reporting entity for these differences. The Foundations are private nonprofit organizations that report under FASB standards, which include guidelines for *Financial Reporting for Not-for-Profit Organizations*. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features.

### **Net Position**

Resources are classified for reporting purposes into the following four net position categories:

- **Net Investment in Capital Assets**

Capital assets, at historical cost or fair market value on date of gift, net of accumulated depreciation and outstanding principal balances of debt attributable to the acquisition, construction or improvement of those assets. Similar net assets are included in net assets without donor restrictions in the statements of the component units.

- **Restricted Nonexpendable**

Net position subject to externally imposed stipulations that they be maintained in perpetuity by CSUS. Similar net assets are referred to as net assets with donor restrictions in the statements of the component units.

- **Restricted Expendable**

Net position whose use by CSUS is subject to externally imposed stipulations that can be fulfilled by actions of CSUS pursuant to those stipulations or that expire by the passage of time. Similar net assets are referred to as net assets with donor restrictions in the statements of the component units.

- **Unrestricted**

Net position that is not subject to externally imposed stipulations is considered unrestricted. Unrestricted net position may be designated for the specific purpose by actions of management or the BOR or may otherwise be utilized to satisfy certain contractual agreements with outside parties. Substantially all unrestricted net position will be utilized for support for academic and research programs and initiatives, and capital programs. Similar net assets are referred to as net assets without donor restrictions in the statements of the component units.

### **Classification of Assets and Liabilities**

CSUS presents short-term and long-term assets and liabilities in the statement of net position. Short-term assets include balances with maturities of one year or less, and assets expected to be received or used within one year or less, from the reporting date. Long-term assets represent balances with maturities of greater than one year, and assets expected to be received or used after one year, from the reporting date. Cash and cash equivalents presented as short-term in the statement of net position include investments with original maturities of three months or less. Long-term cash and cash equivalents includes balances that have externally imposed restrictions as to use. Investments presented as short-term include balances with a maturity of one year or less from the reporting date. Investments with longer maturity dates and those with externally imposed restrictions as to use are classified as long-term assets.

### Cash and Cash Equivalents

Cash and cash equivalents consist of cash held by the state treasurer in a Short-Term Investment Fund (“STIF”), state general fund and capital appropriations, and petty cash. The STIF, stated at fair value, is held on behalf of CSUS by the State Treasurer and has original maturities of three months or less (see Notes 2 and 8). CSUS has long-term investments which include debt service reserve funds which are restricted for purposes in accordance with CHEFA regulations. Interest income is recognized on the accrual basis.

The largest inflow of cash related to non-capital financing is State appropriations and the portion of bond appropriations expended for non-capitalized equipment, deferred maintenance and other non-capital items. The appropriation is treated as a cash equivalent for accounting and reporting purposes, and is included in the cash flow statement.

### Fair Value of Financial Instruments

Fair value approximates carrying value for cash and cash equivalents, notes and accounts receivable, accounts payable, accrued interest and deposits. Investments are carried at fair value, based upon quoted market prices.

### Investment in Capital Assets

Capital assets of the primary institutions are stated at historical cost or, in the case of donated property, at acquisition value at the date of the gift. Land, capitalized collections, and construction in progress are not depreciated. Depreciation of capital assets is calculated on a straight-line basis over the respective asset’s estimated useful life. Title to all assets, whether purchased, constructed or donated, is held physically by the State of Connecticut. Useful lives assigned to assets are as follows:

<u>Asset Class Description</u>	<u>Useful Life</u>
Buildings	40 years
Site & Building Improvements	20 years
Technology	5 years
Library Materials	10 years
Vehicles	10 years
Software	5 years
Non-Collectible Artwork	10 years
Other Equipment	10 years

Major construction projects for new physical plant and original equipment financed by the State of Connecticut capital outlay appropriations are managed and controlled by the Division of Construction Services of the State of Connecticut (“DCS”). The cost value of the project is recognized as revenue and recorded as state financed plant facilities by the Colleges and Universities when eligibility requirements are met. There were no such projects recognized at CSUS for the fiscal year ended June 30, 2024.

Right-of-use (“ROU”) assets, which includes ROU leased assets and ROU subscription assets are recognized at the agreement’s commencement date and represent CSUS’s right to use an underlying asset for the agreement term. ROU assets are measured at the initial value of the liability plus any payments made at or before commencement and initial direct costs. ROU assets are amortized on a straight-line basis over the shorter of the contract term or estimated useful life of the underlying asset. However, if the underlying contract contains a purchase option determined to be reasonably certain of being exercised, the ROU asset is amortized over the estimated useful life of the asset.

### Subscription Liability

Subscription liabilities represent CSUS’s obligation to make payments to the vendor, measured at the present value of subscription payments over the remaining term. Subscription liabilities are recognized at the Subscription-Based Information Technology Arrangement (“SBITA”) commencement date based upon the present value of future subscription payments over the remaining SBITA term. Short term subscription liabilities, those with a maximum period of 12 months (or less), are expensed as incurred.

**Leases Payable**

Leases payable represent CSUS's obligation to make lease payments arising from leases other than short term leases. Leases payable are recognized at the lease commencement dates based on the present value of future lease payments over the remaining lease terms. Present value of lease payments is discounted based on a borrowing rate determined by CSUS. Short term leases, those with a maximum period of 12 months, are expensed as incurred.

**Lease Receivable**

Lease receivables are recorded by CSUS as the present value of lease payments expected to be received under all leases other than short term. Lease receivables are subsequently reduced over the life of the lease as cash is received in the applicable reporting period. Short term leases, those with a maximum period of 12 months, are recognized as collected. Lease receivables are included within accounts receivable on the Statement of Net Position.

**Deferred Inflows**

Deferred inflows consist of certain changes in the net pension and total OPEB liability and unrecognized revenues from other than short term leases.

**Accrued Compensated Absences (ACA)**

Employees earn the right to be compensated during absences for vacation leave, sick leave and related fringe benefits. The accompanying statement of net position reflects the accrual for the amounts earned as of year-end.

**Pension & Other Post Employment Obligations**

The System records pension and other post-employment benefit obligations equal to the net liability for its portion of the state defined benefit and retiree health plans. These net liabilities are measured as the total pension and health liability, less the amount of the respective plan's fiduciary net position. The total liability is determined based upon discounting projected benefit payments based on the benefit terms and legal agreements existing at the plan's fiscal year end. Projected benefit payments are required to be discounted using a single rate that reflects the expected rate of return on investments, to the extent that plan assets are available to pay benefits, and a tax-exempt, high-quality municipal bond rate when plan assets are not available. Because there are other state entities participating in the plans, the net pension and OPEB liabilities that are recorded are based on CSUS's share of contributions relative to total contributions made to the respective plans, as determined by independent actuaries.

Pension and other post-employment benefit expenses are recognized for benefits earned during the period, interest on the unfunded liability and changes in benefit terms. The differences between expected and actual experience and changes in assumptions about future economic or demographic factors are reported as deferred inflows or outflows of resources and are recognized over the average expected remaining service period for employees eligible for pension benefits. The differences between expected and actual returns are reported as deferred inflows or outflows and are recognized over five years.

In June 2023, the Connecticut General Assembly passed a state budget for the 2024 and 2025 biennium that changed the way fringe benefits are paid for institutions of higher education. Effective July 1, 2023, the State directly funds CSUS employee benefit retirement costs, which are therefore no longer charged to CSUS through a fringe benefit rate assessment. As a result, there is a corresponding reduction in appropriations to CSUS since the State is directly covering retirement-related costs for all eligible CSUS employees. During the year ended June 30, 2023, CSUS incurred \$155.5 million in fringe retirement costs with an offsetting amount reported in State appropriations.

**Unearned Tuition, Fees and Grant Revenues**

Unearned tuition, fees and grant revenues consist primarily of tuition and fees that have been collected but are applicable to the summer and fall sessions held subsequent to the reporting date. Charges related to these sessions are reported in the period the tuition and fees are recognized as income.



The State allotted \$83.4 million to the CSUS in fiscal year 2024 as part of the State's American Rescue Plan Act (ARPA) allocation designated as temporary operating support. The total was recorded as federal emergency grant revenue under nonoperating revenues in the accompanying Statement of Revenues, Expenses, and Changes in Net Position for the fiscal year ended June 30, 2024.

**Tuition and Fees Revenue**

Student tuition and fees revenue is recognized in the period earned net of scholarship allowance and waivers. Student aid for scholarships recorded in the statement of revenues, expenses and changes in net position includes payments made directly to students. Any aid applied directly to the students' accounts in payment of tuition and fees, housing charges and dining services is reflected as a scholarship allowance.

**Auxiliary Revenues**

Auxiliary revenues consist of housing charges, dining services, fees for health and injury insurance coverage and telecommunication charges. The auxiliary revenues are recognized in the period earned.

**Operating Activities**

Operating activities as reported in the statement of revenues, expenses and changes in net position are those that generally result from exchange transactions such as payments received for providing services and payments made for services or goods received. Nearly all of CSUS expenses are from exchange transactions. Certain significant revenue streams relied upon for operations are recorded as non-operating revenues, including state appropriations, Pell, gifts and investment income.

**Income Taxes**

CSUS is a component unit of the State of Connecticut and is exempt from federal and state income taxes under the doctrine of intergovernmental tax immunity found in the U.S. Constitution. Accordingly, no provision for income taxes has been recorded in the accompanying financial statements. CSUS qualifies as a public charity eligible to receive charitable contributions under Section 170(b)(1)(A)(ii) of the Internal Revenue Code, as amended (the Code).

**Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes and revenues and expenses recognized during the reporting period. Major estimates include the accrual for employee compensated absences, pension and other post-employment benefit liabilities, estimated lives of capital assets and the allowances for doubtful accounts. Actual results could differ from those estimates.

**Subsequent Events**

In accordance with generally accepted accounting principles, CSUS has evaluated subsequent events for the period after June 30, 2024, through February 25, 2025, the date the financial statements were issued.

**2. Cash, Cash Equivalents and Investments**

Cash and cash equivalents are invested in the State of Connecticut Treasurer's Short-Term Investment Fund (STIF), a combined investment pool of high quality, short-term money market instruments. CSUS may add or withdraw monies on a daily basis with interest earned from date of deposit to date of withdrawal. The primary investment objectives of the STIF are the preservation of principal and the provision of liquidity to meet participants' daily cash flow requirements.

The STIF is managed by investment managers in accordance with the investment guidelines established by the State Treasurer. These guidelines prohibit investment in derivative securities other than floating rate securities which vary in the same direction as individual short-term money market indices, and limit the ability to enter into reverse repurchase agreements in amounts not to exceed five percent (5%) of the STIF's net assets at the time of execution.

Cash and cash equivalents also include operating funds held by the State of Connecticut in a pooled, interest credit program which earns interest at a rate determined monthly by the Office of the State Treasurer. The interest rate at June 30, 2024 was 5.43%.

Cash, cash equivalents and investments at June 30 are as follows:

	2024	
	Cost	Fair Value
Cash and cash equivalents	\$ 507,122,135	\$ 507,122,135
U.S. Mutual Funds-Governmental	67,397,983	67,397,983
	\$ 574,520,118	\$ 574,520,118

Investments are pooled by the State and separate accounting is maintained as to the amounts allocable to the various funds and programs.

*Credit Risk* – Credit risk is the risk that an investor will lose money because of the default of the security issuer or investment counterparty. CSUS is invested in U.S. Government obligations, which are not considered to have credit risk.

*Custodial Credit Risk* – At June 30, 2024, the carrying amount of CSUS’s bank deposits was \$4.0 million as compared to bank balances of \$5.1 million. The difference between the carrying amount and bank balances was primarily caused by outstanding checks and deposits in transit. Of such bank balances, \$4.3 million was uninsured and uncollateralized and therefore subject to custodial credit risk as of June 30, 2024.

*Concentration of Credit Risk* – Concentration of credit risk is assumed to arise when the amount of investments with one issuer exceeds 5% or more of the total value of investments. 88% of CSUS total cash, cash equivalents and investments was invested in the STIF and the State’s pooled interest credit program accounts as of June 30, 2024.

*Interest Rate Risk* – Interest rate risk is the risk that changes in interest rates will adversely affect the fair market value of an investment. Interest rate risk is managed by establishing targets for the preferred duration of the fixed income component of the investment portfolio by asset class by limiting investments through target allocations to different asset classes.

Investment maturities of CSUS’s debt securities at June 30 (in years) are as follows:

Debt Securities	Fair Value	Less Than 1 Year	More than 1 Year
June 30, 2024			
U.S. Government obligations	\$ 67,397,991	\$ 67,397,974	\$ 9

GASB No. 72, “Fair Value measurements and Application” sets forth the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

The three levels of the fair value hierarchy under GASB No. 72 are described as follows:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that CSUS has the ability to access.

Level 2 - Inputs other than Level 1 that are observable, either directly or indirectly and include: quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the asset or liability; inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value measurement. Unobservable inputs are developed based on the best information available in the circumstances and may include the CSUS's own data.

All of the investments held at June 30, 2024 are valued based on Level 1 inputs. There are no liabilities subject to the fair value provisions of GASB No. 72.

**3. Accounts Receivables**

Receivables consisted of the following at June 30:

	<u>2024</u>
Student accounts receivable	\$ 18,171,482
Student loans receivable	3,119,130
Grants receivable	5,241,275
Leases receivable	1,816,816
Miscellaneous receivables	<u>2,314,752</u>
	30,663,455
Less allowance for doubtful accounts	<u>(10,297,877)</u>
Net accounts receivable	<u>\$ 20,365,578</u>

CSUS has provided an allowance for uncollectible receivables, which, in management's opinion, is sufficient to absorb receivables that will ultimately be written off.

#### 4. Capital Assets

Capital assets for the Universities consist of the following at June 30, 2024:

	<u>Balance</u> <u>June 30, 2023</u>	<u>Additions</u>	<u>Retirements</u> <u>and Transfers</u>	<u>Balance</u> <u>June 30, 2024</u>
<b>Capital assets not being depreciated:</b>				
Land	\$ 19,950,678	\$ -	\$ (233,240)	\$ 19,717,438
Capitalized collections	8,938,597	7,847	(1,500)	8,944,944
Construction in progress	61,514,717	36,313,585	(55,159,685)	42,668,617
Total capital assets not being depreciated	<u>\$ 90,403,992</u>	<u>\$ 36,321,432</u>	<u>\$ (55,394,425)</u>	<u>\$ 71,330,999</u>
<b>Other capital assets:</b>				
Land improvements	\$ 107,607,998	\$ 4,127,583	\$ -	\$ 111,735,581
Buildings and building improvements	2,067,156,568	49,334,913	(7,229,336)	2,109,262,145
Furniture, fixtures and equipment	150,047,670	9,327,339	(6,604,180)	152,770,829
Library materials	13,099,960	158,089	(1,088,566)	12,169,483
Right-of-use-assets - equipment	1,752,934	609,148	(497,274)	1,864,808
Right-of-use-assets - subscriptions	29,833,033	1,192,634	(519,082)	30,506,585
Total other capital assets	<u>2,369,498,163</u>	<u>64,749,706</u>	<u>(15,938,438)</u>	<u>2,418,309,431</u>
Less accumulated depreciation and amortization				
Land improvements	(82,129,086)	(3,108,220)	-	(85,237,306)
Buildings and building improvements	(936,791,479)	(59,695,088)	5,285,982	(991,200,585)
Furniture, fixtures and equipment	(122,846,642)	(7,367,577)	6,178,314	(124,035,905)
Library materials	(9,028,273)	(664,800)	1,088,566	(8,604,507)
Right-of-use-assets - equipment	(1,060,492)	(286,892)	157,542	(1,189,842)
Right-of-use-assets - subscriptions	(5,129,235)	(7,202,198)	167,952	(12,163,481)
Total accumulated depreciation and amortization	<u>(1,156,985,207)</u>	<u>(78,324,775)</u>	<u>12,878,356</u>	<u>(1,222,431,626)</u>
Other capital assets, net	<u>\$ 1,212,512,956</u>	<u>\$ (13,575,069)</u>	<u>\$ (3,060,082)</u>	<u>\$ 1,195,877,805</u>
<b>Capital asset summary:</b>				
Capital assets not being depreciated or amortized	\$ 90,403,992	\$ 36,321,432	\$ (55,394,425)	\$ 71,330,999
Other capital assets, at cost	<u>2,369,498,163</u>	<u>64,749,706</u>	<u>(15,938,438)</u>	<u>2,418,309,431</u>
Total cost of capital assets	2,459,902,155	101,071,138	(71,332,863)	2,489,640,430
Less accumulated depreciation and amortization				
	<u>(1,156,985,207)</u>	<u>(78,324,775)</u>	<u>12,878,356</u>	<u>(1,222,431,626)</u>
Capital assets, net	<u>\$ 1,302,916,948</u>	<u>\$ 22,746,363</u>	<u>\$ (58,454,507)</u>	<u>\$ 1,267,208,804</u>

## 5. Leases

CSUS has entered into various leases for equipment. The activity associated with the long-term lease liability for the year ended June 30, 2024 is summarized as follows:

Balance 7/1/23	Additions	Payments and Disposals	Balance 6/30/24	Amounts due within 1 year (Current Portion)
\$ 851,984	\$ 291,273	\$ (460,078)	\$ 683,179	\$ 340,460

The principal and interest expense for the next five years and beyond are projected below for lease obligations:

Fiscal Year	Principal	Interest	Total
2025	\$ 340,460	\$ 21,047	\$ 361,507
2026	199,910	11,396	211,306
2027	101,797	3,777	105,574
2028	31,745	1,037	32,782
2029	9,267	112	9,379
Total Requirements	<u>\$ 683,179</u>	<u>\$ 37,369</u>	<u>\$ 720,548</u>
Less Current	<u>\$ (340,460)</u>		
Non-Current	<u>\$ 342,719</u>		

For the year ended June 30, 2024, CSUS earned a total of \$332,411 in lease revenue and \$70,324 in lease interest revenue.

Lease receivable principal and interest requirements to maturity as of June 30, 2024 are as follows:

Fiscal Year	Principal	Interest	Total
2025	\$ 354,565	\$ 56,235	\$ 410,800
2026	347,983	45,200	393,183
2027	344,621	33,591	378,212
2028	297,593	22,748	320,341
2029	168,445	14,304	182,749
2030-2034	189,484	42,516	232,000
2035-2039	110,515	6,485	117,000
2040-2044	1,475	525	2,000
2045-2049	1,748	252	2,000
2050-2054	387	13	400
Total	<u>\$ 1,816,816</u>	<u>\$ 221,869</u>	<u>\$ 2,038,685</u>

## 6. Subscription-Based Information Technology Arrangements

CSUS has entered into various SBITAs that convey CSUS control of the right of use vendor-provided software, alone or in combination with an underlying tangible IT capital asset. The long-term liability activity for the year ended June 30, 2024, is summarized as follows:

Balance 7/1/23	Additions	Payments and Disposals	Balance 6/30/24	Amounts due within 1 year (Current Portion)
\$16,895,933	\$ 911,060	\$ (5,084,408)	\$12,722,585	\$ 4,705,865

The principal and interest expense for the next five years and beyond are projected below for subscription obligations:

Fiscal Year	Principal	Interest	Total
2025	\$ 4,705,865	\$ 526,987	\$ 5,232,852
2026	1,625,786	391,933	2,017,721
2027	1,415,871	313,786	1,729,657
2028	1,285,927	244,167	1,530,094
2030	1,393,442	182,586	1,576,028
Thereafter	2,295,694	177,239	2,472,933
Total Requirements	<u>\$ 12,722,585</u>	<u>\$ 1,836,698</u>	<u>\$ 14,559,285</u>
Less Current	<u>\$ (4,705,865)</u>		
Non-Current	<u>\$ 8,016,720</u>		

## 7. Accrued Compensated Absences

Accrued compensated absences as of June 30 include:

	<u>2024</u>
Accrued vacation	\$ 33,100,194
Accrued sick leave	26,889,986
Other accrued fringe benefits	4,600,189
	<u>64,590,369</u>
Less: current portion	<u>(6,479,594)</u>
Noncurrent portion	<u>\$ 58,110,775</u>

Activity for compensated absences, as of June 30, includes:

Balance as of June 30, 2023	\$ 63,805,598
Net Changes FY 2024	784,771
Balance as of June 30, 2024	<u>\$ 64,590,369</u>

These accruals represent estimated amounts earned by all eligible employees through June 30, 2024. These accrued compensated absences will be settled over a number of years and are not

expected to have a significant impact on the future annual cash flows of the System. The current portion of compensated absences is estimated based on recent past history and is presented in today's dollars.

**8. Related Parties**

Periodically, public acts may be signed into law by the Governor stating that the Secretary of the Office of Policy and Management may approve monies to be transferred from CSCU's operating reserves to another purpose within the State of Connecticut. CSUS made no transfers to the State of Connecticut during fiscal year 2024.

Accrued salaries for CSCU employees within CSUS, whose salaries will be charged to the State of Connecticut General Fund, represent a related party balance. CSUS has also recorded a receivable from the State of Connecticut related to allocated bond financing for capital projects when allotted by the Governor.

Amounts due from the State of Connecticut as of June 30 are comprised of the following:

	<u>2024</u>
Receivable for accrued salaries to be paid by State of Connecticut General Fund	\$ 17,261,964
State appropriations for capital projects	22,690,871
Other	<u>782,464</u>
	<u>\$ 40,735,299</u>

The accompanying statement of net position includes balances among related parties. Significant balances for the year ended June 30, were as follows:

	<u>2024</u>
Cash balances held with the State of Connecticut on behalf of the CSUS	\$ 401,673,188
Amounts invested in the State of Connecticut Short-Term Investment Fund (STIF)	<u>100,392,580</u>
	<u>\$ 502,065,768</u>

**9. Commitments and Contingencies**

CSUS makes expenditures in connection with restricted government grants and contracts which are subject to final audit by government agencies. CSUS is of the opinion that the amount of disallowances, if any, sustained through such audits would not materially affect the financial position of CSUS.

CSUS is a defendant in various legal actions arising out of the normal course of its operations. Although the final outcome of such actions cannot presently be determined, management is of the opinion that the eventual liability, if any, will not have a material effect on CSUS's financial position.

CSUS had outstanding purchase orders and related commitments for materials, services and capital expenditures that had not been received as of June 30. These commitments are not recorded as

liabilities until materials or services are received. The commitments of total net position balances at June 30 were as follows:

	<u>2024</u>
System Office	\$ 1,406,857
Central Connecticut State University	7,178,152
Eastern Connecticut State University	1,656,845
Southern Connecticut State University	7,261,725
Western Connecticut State University	<u>2,939,129</u>
	<u>\$ 20,442,708</u>

## 10. Pension Plans

### Plan Description

All regular full-time employees participate in one of two retirement plans. The State of Connecticut is statutorily responsible for the pension benefits of CSCU employees who participate in the State Employees' Retirement System ("SERS"). SERS is the administrator of a single employer defined benefit public employee retirement system ("PERS"). SERS provides retirement, disability, death benefits and cost of living adjustments to plan members and their beneficiaries. Plan benefits, cost of living adjustments, contribution requirements of plan members and the State and other plan provisions are described in agreements between the State and the State Employee Bargaining Agent Coalition ("SEBAC") as authorized by the General Statutes. SERS does not issue standalone financial reports. Information on the plan is currently publicly available in the State of Connecticut's Annual Comprehensive Financial Report prepared by the Office of the State Comptroller, and in annual actuarial valuations prepared by the State Retirement Commission.

Employees hired before July 1, 2011 participate in Tier I, Tier II, Tier IIA, or TRS depending on several factors.

Employees hired after July 1, 2011 but before July 31, 2017 were eligible to participate in Tier III or the Hybrid Plan, the 2 primary SERS plan options available (some employees are eligible to elect the Teachers Retirement System - "TRS"). The Hybrid Plan, which became effective July 1, 2011 under the 2011 agreement between the State of Connecticut and SEBAC, provides a retirement plan option for employees hired on or after July 1, 2011 in a position statutorily defined as a state teacher or a professional staff member in higher education. The Hybrid Plan is a defined benefit plan that provides members with a life-time defined benefit the same as the benefit provided under SERS Tier III with the option at the time of retirement to elect to receive a lump sum payment of their contributions with a 5% match by the State and 4% interest in lieu of a defined benefit.

Employees hired after July 1, 2017 are eligible to participate in Tier IV as a result of the 2017 SEBAC agreement. The SERS Tier IV plan is comprised of both a traditional Defined Benefit component and a new Defined Contribution component. The Tier IV Defined Benefit component provides a pre-defined monthly retirement income for life, with the amount being affected by years of service, retirement age, and the member's final average earnings for members that satisfy the Tier IV minimum age and service eligibility requirements. The Tier IV Defined Contribution component establishes an account consisting of an accumulation of employee and employer contributions both set equal to 1%, as well as investment gains or losses. Each Tier IV member will have an account with the third-party administrator of the State Alternate Retirement Program (ARP). Prior to this fiscal year, CSCU made contributions on behalf of the employees in SERS plans through a fringe benefit charge assessed by the State of Connecticut. Effective fiscal year 2024, the State pays retirement-related fringe benefit costs for all employees of the constituent units of the state higher education system.



Alternatively, employees may choose to participate in the ARP, which is a defined contribution plan managed by Empower. For eligible employees who first became ARP participants prior to September 1, 2017, they contribute 5.0% of their pay and the State contributes 7.0% to participants' investment accounts. For employees becoming ARP participants on or after September 1, 2017, they contribute 6.5% and the State contributes 7.0% to individual participants' investment accounts managed by Empower. Employees that became ARP employees on or after September 1, 2017 may opt out of the 6.5% contribution and elect a 5.0% participant contribution.

#### Funding Policy

The contribution requirements of plan members and the State are established and may be amended by the State legislature subject to the contractual rights established by collective bargaining.

Tier I Plan B regular and Plan B Hazardous Duty members are required to contribute 2% and 4% of their annual salary up to the Social Security Taxable Wage Base, respectively, plus 5% above that level. Tier I Plan C and Hybrid Plan members are required to contribute 5% of their annual salary. Tier IIA Plan and Tier III Plan regular and Hazardous Duty members are required to contribute 2% and 5% of their annual salaries, respectively. Tier IV employees contribute 5% of their salary (8% for hybrid and hazardous duty members) plus 1% into the defined contribution component.

The State is required to contribute at an actuarially determined rate, which may be reduced or increased by an act of the State legislature. The State contributed \$84.2 million and \$1.8 million, on behalf of the System, for SERS and TRS, respectively. The State's contributions for fiscal year 2024, were funded by CSUS's contributions to SERS and TRS during the July 1, 2022 – June 30, 2023 measurement period, which were made in accordance with fringe benefit rates assessed by the State on eligible salaries and wages of each participant category. However, legislation effective July 1, 2023, changed CSUS's State funding structure concerning employer contributions. As a result, CSUS did not make any contributions to SERS and TRS in fiscal year 2024, as these were completely funded by the State. Furthermore, no amounts were reported as deferred outflows of resources as of June 30, 2024, for contributions made subsequent to the measurement date.

#### Net Pension Liability

The Systems' net pension liability (NPL) is valued one year in arrears. The total pension liability (TPL) used to calculate the NPL was determined based on the annual actuarial funding valuation reports as of June 30, 2023, for SERS and TRS. CSUS's proportion of the collective NPL was based on CSUS's share of contributions relative to total contributions made to the respective pension plans. Based on this calculation, CSUS's proportion was 2.58% and 0.11% for SERS and TRS, respectively, at the measurement date of June 30, 2023. SERS decreased by 0.84 percentage points from its proportion measured as of June 30, 2022, and TRS proportion was unchanged.

All SERS and TRS assets are available to pay any participants benefits. However, the portion of each plan's net pension liability attributable to the CSUS is calculated separately. The net pension liability for the CSUS as of June 30, 2024 for SERS and TRS was \$535.2 million and \$19.2 million, respectively.

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

Actuarial Assumptions for SERS:

The total pension liability was determined using the following actuarial assumptions, applied to all periods:

Measurement Year	2023
Inflation	2.50%
Salary increases including inflation	3.00% to 11.50%
Investment rate of return net of pension plan investment expense, including inflation	6.90%

Mortality rates were based on the Pub-2010 Above Median Mortality Tables (Amount-weighted) projected generationally with MP-2020 improvement scale.

The actuarial assumptions used in the June 30, 2023 valuation (which was the basis for recording the June 30, 2024 financial statement liabilities) were based on the results of an actuarial experience study for the five-year period July 1, 2015 – June 30, 2020.

The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The best estimates of geometric rates of return for each major asset class as of the 2023 measurement date are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	37.0%	6.8%
Public Credit	2.0%	2.9%
Core Fixed Income	13.0%	0.4%
Liquidity Fund	1.0%	-0.4%
Risk Mitigation	5.0%	0.1%
Private Equity	15.0%	11.2%
Private Credit	10.0%	6.1%
Real Estate	10.0%	6.2%
Infrastructure and Natural Resources	7.0%	7.7%
	100.0%	

Actuarial Assumptions for TRS:

The total pension liability was determined using the following actuarial assumptions, applied to all periods:

Measurement Year	2023
Inflation	2.50%
Salary increases including inflation	3.00% to 6.50%
Investment rate of return net of pension plan investment expense, including inflation	6.90%

Mortality rates were based on the PubT-2010 Healthy Retiree Table (adjusted 105% for males and 103% for females at age 82 and above), projected generationally with MP-2019 for the period after service retirement. The PubT-2010 Disabled Retiree Table projected generationally with MP-2019

was used for the period after disability retirement. The Pub-2010 Contingent Survivor Table projected generationally with MP-2019 and set forward 1 year for both males and females was used for survivors and beneficiaries. The PubT-2010 Employee Table projected generationally with MP-2019 was used for active members.

The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The target asset allocation and best estimates of arithmetic real rates of return for each major asset class as of the 2023 measurement date are summarized in the following table:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Real Rate of Return</b>
Global Equity	37.0%	6.8%
Public Credit	2.0%	2.9%
Core Fixed Income	13.0%	0.4%
Liquidity Fund	1.0%	-0.4%
Risk Mitigation	5.0%	0.1%
Private Equity	15.0%	11.2%
Private Credit	10.0%	6.1%
Real Estate	10.0%	6.2%
Infrastructure and Natural Resources	7.0%	7.7%
	100.0%	

**Discount Rate for SERS:**

The discount rate used to measure the total pension liability was 6.9% in the 2023 measurement year. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rates and the State's contributions will be made at rates equal to the difference between actuarially determined contributions rates and the member rates. Based on those assumptions, the net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Discount Rate for TRS:**

The discount rate used to measure the total pension liability was 6.9% in the 2023 measurement year. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that State contributions will be made at the actuarially determined rates in future years. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Sensitivity of Net Pension Liability to Changes in Discount Rate**

The following table presents the current-period net pension liability of the CSU System calculated using the current-period discount rate assumption of 6.9% for SERS and 6.9% for TRS, as well as what the net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rate:

	1% Decrease (SERS - 5.9%) (TRS - 5.9%)	Current Discount (SERS - 6.9%) (TRS - 6.9%)	1% Increase (SERS - 7.9%) (TRS - 7.9%)
SERS	\$ 664,349,204	\$ 535,248,600	\$ 427,628,947
TRS	25,024,841	19,154,976	14,282,280

Pension Expense, Deferred Outflows and Deferred Inflows of Resources Related to Defined Benefit Pension Plan

For the year ended June 30, 2024, the CSUS recognized pension expense of \$9.1 million. A schedule of deferred outflows and inflows of resources as of June 30, 2024 is presented in Note 15. The net amount of deferred outflows and deferred inflows of resources related to the pensions attributed to the CSUS that will be recognized in pension expense during the next five years and thereafter is as follows:

Fiscal Year Ending June 30,	SERS	TRS	Total
2025	\$ (46,186,736)	\$ 203,934	\$ (45,982,802)
2026	(62,402,661)	(814,244)	(63,216,905)
2027	(62,209,178)	472,264	(61,736,914)
2028	(36,969,842)	165,844	(36,803,998)
2029	(5,843,231)	87,550	(5,755,681)
Thereafter	-	3,339	3,339
Total	\$ (213,611,648)	\$ 118,687	\$ (213,492,961)

**11. Other Post-Employment Benefits**

The State of Connecticut provides post-retirement health care and life insurance benefits to eligible CSCU employees, in accordance with Sections 5-257(d) and 5-259(a) of the Connecticut General Statutes. When employees retire, the State pays up to 100% of their health care insurance premium cost (including the cost of dependent coverage). This benefit is available to retirees of the State Employees' Retirement System and participants in the Connecticut Alternate Retirement Program who meet certain age and service criteria.

The State also pays 100% of the premium cost for a portion of the employee's life insurance continued after retirement. The amount of life insurance continued at no cost to the retiree is determined in a formula based on the number of years of State service that the retiree had at the time of retirement. The State finances the cost of post-retirement health care and life insurance benefits

There is a single State sponsored defined benefit OPEB plan open to CSCU employees, the State Employee OPEB Plan (SEOPEBP). The State Comptroller's Healthcare Policy and Benefits Division under the direction of the Connecticut State Employees Retirement Commission administers the State Employee OPEB Plan. The membership of the commission is composed of the State Treasurer or designee, who is a nonvoting ex-officio member; fifteen trustees, including six trustees representing state employees; six trustees representing state management; two trustees who are professional actuaries and one neutral trustee who serves as chairman. Also, the State Comptroller, ex officio, serves as the nonvoting secretary. The Governor makes all appointments except the employee trustees who are selected by employee bargaining agents. Management and employee trustees make the appointments of the chairman and the actuarial trustee positions.

Plan Description

SEOPEBP is a single-employer defined benefit OPEB plan that covers retired employees of CSCU who are receiving benefits from any State-sponsored retirement system. The plan provides healthcare and life insurance benefits to eligible retirees and their spouses. Plan benefits, required

contributions of plan participants and the State, and other plan provisions are described in Sections 5-257 and 5-259 of the General Statutes.

Funding Policy

SEOPEBP is primarily funded on a pay-as-you-go basis for non-contributory members and 100 percent for contributory members through an annual appropriation in the General Fund. The contribution requirements of the plan members and the State are established and may be amended by the State legislature or by agreement between the State and employee’s unions, upon approval by the State legislature. Current active employees contribute a percentage of their salary to the Retiree Health Care Trust Fund (RHCF) for pre-funding of OPEB benefits for a period of time. Employees hired prior to July 1, 2017, contribute 3% of their salary for a period of 10 years or until retirement, whichever is sooner. In accordance with the SEBAC 2017 agreement, employees hired on or after July 1, 2017, contribute 3% of their salary for 15 years. Contributions are refundable to employees who leave State employment prior to completing the required years of service.

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

Investments

The State Treasurer employs several outside consulting firms as external money and investment managers, to assist the State’s Chief Investment Officer, as they manage the investment programs of the State Employee OPEB Plan. Plan assets are managed primarily through asset allocation decisions with the main objective being to maximize investment returns over the long term at an acceptable level of risk. There is no concentration of investments in any one organization that represents 5.0 percent or more of plan net position available for benefits.

The following is the asset allocation policy as of June 30, 2024:

<b>Asset Class</b>	<b>Long-Term Expected</b>	
	<b>Target Allocation</b>	<b>Real Rate of Return</b>
Global Equity	37.0%	6.8%
Public Credit	2.0%	2.9%
Core Fixed Income	13.0%	0.4%
Liquidity Fund	1.0%	-0.4%
Risk Mitigation	5.0%	0.1%
Private Equity	15.0%	11.2%
Private Credit	10.0%	6.1%
Real Estate	10.0%	6.2%
Infrastructure and Natural Resources	7.0%	7.7%
	100.0%	

Net OPEB Liability

The Systems’ net OPEB (NOL) liability is valued one year in arrears. The total OPEB liability (TOL) used to calculate the NOL was determined based on an actuarial valuation report as June 30, 2023. The TOL measured since the prior measurement date of June 30, 2022, reflects changes in actuarial assumptions. The discount rate was updated for contributory and non-contributory members. Per capita health cost, administrative costs, and retiree contributions were updated for recent experience. Actuarial factors used to estimate individual retiree and spouse costs by age and gender were

adjusted. In addition, healthcare cost trend rates and retiree contribution rates were adjusted and the Medicare prescription drug trend rates were updated to include an estimate for the impact of the Inflation Reduction Act.

CSUS's proportion of the collective NOL was based on its share of contributions relative to total contributions made to SEOPBP. Based on this calculation, the CSUS's proportion was 5.53% as of the measurement date of June 30, 2023, which was a decrease of 0.42 percentage points from its proportion measured as of June 30, 2022. CSUS's proportionate share of the collective NOL as of June 30, 2024 was \$862.3 million.

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

Actuarial Assumptions:

The total OPEB liability was determined by actuarial valuations as of June 30, 2024, using the following actuarial assumptions:

<b>Measurement Year</b>	<b>2024</b>
Inflation	2.50%
Payroll growth rate	3.00%
Salary increases	3.00% to 11.50% varying by years of service and retirement system
Discount rate	6.90% contributory and 3.65% non-contributory members as of June 30, 2023 3.90% for all members as of June 30, 2022
Healthcare cost trend rates:	
Medical (Non-Medicare)	-0.35%, then 5.75% decreasing by 0.25% each year to an ultimate level of 4.50% per year
Prescription drug (Non-Medicare)	2.35%, then 6.50% decreasing by 0.25% each year to an ultimate level of 4.50% per year
Medical and Prescription Drug (Medicare)	32.51%, 59.22%, 28.24% then 5.75% decreasing by 0.25% each year to an ultimate level of 4.50% per year
Dental	2.60%, 4.45%, then an ultimate level of 3.00% per year
Part B	4.5% per year
Administrative costs	1.85%, 3.30% then 3.00% per year

**Mortality Rates**

Pre-Retirement:	Pub-2010 General, Above-Median, Employee Headcount-weighted Mortality Table projected generationally using Scale MP-2020
Healthy Annuitant:	Pub-2010 General, Above-Median, Healthy Retiree Headcount-weighted Mortality Table projected generationally using Scale MP-2020
Disabled Annuitant:	Pub-2010 General, Disabled Retiree Employee Headcount-weighted Mortality Table projected generationally using Scale MP-2020
Contingent Annuitant:	Pub-2010 General, Above-Median, Contingent Annuitant Headcount-weighted Mortality Table projected generationally using Scale MP-2020

The projection of cash flows used to determine the discount rate was performed in accordance with GASB pronouncements.

The following presents the current period net OPEB liability, as well as what the net OPEB liability would be if it were calculated using a discount rate and healthcare cost trend rate that is 1% lower or 1% higher than the current rate utilized.

For measurement date of June 30, 2023:

**Discount rate comparison:**

	1% Decrease in Discount Rate (5.90%)	Current Discount Rate (6.90%)	1% Increase in Discount Rate (7.90%)
Net OPEB Liability	\$ 1,002,533,866	\$ 862,283,562	\$ 747,445,652

**Health care trend rate comparison:**

	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
Net OPEB Liability	\$ 746,392,044	\$ 862,283,562	\$ 1,004,523,976

OPEB Expense, Deferred Outflows and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2024, the CSUS recognized OPEB expense of \$2.7 million. A schedule of deferred outflows and inflows of resources as of June 30, 2024 is disclosed in Note 15. The net amount of deferred outflows and deferred inflows of resources related to OPEB attributed to the CSUS that will be recognized in OPEB expense during the next five years and thereafter is as follows:

Fiscal Years Ending June 30,	OPEB
2025	\$ (102,065,815)
2026	(123,212,124)
2027	(80,319,185)
2028	(27,896,395)
2029	(2,948,234)
Thereafter	-
Total	\$ (336,441,753)

**12. Unearned Tuition, Fees and Grant Revenue**

Unearned tuition, fees and grant revenue consists of the following at June 30:

	2024
Unearned tuition and fees	\$ 20,496,313
Grants and contracts	17,306,538
Other	5,099
	<u>\$ 37,807,950</u>



**13. Natural Classification with Functional Classification**

The operating expenses by functional classification were as follows:

	Year ended June 30, 2024									
	Natural Classification									
	Salaries and wages	Fringe benefits	Professional services and fees	Educational services and support	Travel expense	Operation of facilities	Other operating supplies and expenses	Depreciation expense	Amortization expense	Total
Academic support	\$ 31,140,081	\$ 7,651,636	\$ 1,978,852	\$ 5,497,126	\$ 1,812,684	\$ 564,344	\$ 2,787,122	\$ -	\$ -	\$ 51,431,845
Auxiliary enterprises	10,614,260	3,402,149	1,319,631	32,398,740	31,358	7,142,935	640,134	-	-	55,549,207
Institutional support	49,239,400	13,792,276	8,822,231	2,126,452	752,322	608,934	8,395,380	-	-	83,736,995
Instruction	183,737,654	46,429,099	2,205,114	1,683,105	554,141	3,482,882	2,393,088	-	-	240,485,083
Physical plant	36,660,526	13,035,359	2,008,185	708,893	58,587	43,713,449	7,546,578	70,835,685	7,521,489	182,088,751
Public service	4,531,326	1,305,772	1,343,921	639,108	491,267	48,015	485,171	-	-	8,844,580
Research	3,609,408	783,948	519,469	647,782	603,671	33,145	571,186	-	-	6,768,609
Scholarships, loans and refunds	727,707	36,443	497,082	79,535,417	25,163	6,425	102,348	-	-	80,930,585
Student services	53,247,070	14,355,533	3,762,503	3,584,658	2,235,016	838,704	3,055,902	-	-	81,079,386
<b>Total expenses</b>	<b>\$ 373,507,432</b>	<b>\$ 100,792,215</b>	<b>\$ 22,456,988</b>	<b>\$ 126,821,281</b>	<b>\$ 6,564,209</b>	<b>\$ 56,438,833</b>	<b>\$ 25,976,909</b>	<b>\$ 70,835,685</b>	<b>\$ 7,521,489</b>	<b>\$ 790,915,041</b>



#### 14. Bonds and Note Payable

The State of Connecticut, through acts of its legislature, provides funding for certain major plant facilities of the System. The State obtains its funds for these construction projects from general obligation bonds, which it issues from time to time. The State is responsible for all repayments of the bonds in accordance with bond indentures.

Debt service on bonds issued by the State to finance educational and general facilities is funded by the General Fund of the State, which is in the custody of the State Treasurer. These bonds do not require repayment by CSUS and, accordingly, the State's debt obligation attributable to the CSUS educational and general facilities is not reported as CSUS debt in the accompanying financial statements.

##### Bonds Payable

Principal outstanding of the CHEFA Bonds issued directly by CSUS at June 30 was as follows:

CHEFA Series	Issue Date	Issuance Amount	Mature in Fiscal Years:	Interest Rates:	Outstanding Principal 2024
L	4/4/2012	\$ 49,040,000	2013 - 2030	2.50% - 4.00%	\$ 33,855,000
N	10/23/2013	80,340,000	2015 - 2026	4.10% - 5.00%	8,130,000
O	9/16/2014	21,240,000	2015 - 2031	2.00% - 4.00%	9,080,000
P-1	9/13/2016	55,030,000	2018 - 2037	2.50% - 5.00%	41,100,000
P-2	9/13/2016	19,530,000	2018 - 2036	2.50% - 5.00%	5,080,000
Q-1	5/10/2019	71,260,000	2021 - 2040	3.00% - 5.00%	61,715,000
Q-2	5/10/2019	20,845,000	2021 - 2032	5.00% - 5.00%	6,275,000
R-1	4/27/2021	14,640,000	2033 - 2034	2.00% - 2.125%	14,640,000
R-2	4/27/2021	85,110,000	2023 - 2034	0.35% - 2.45%	78,080,000
					<u>\$ 257,955,000</u>

Series R-2 issuance in fiscal year 2021 refunded portions of Series J, M, and N. CSUS deposited into irrevocable trust accounts sufficient funds to provide for all future debt service payments on the refunded bonds. As a result, the refunded bonds were considered an in-substance defeasance and the liability for those bonds were removed from the statement of net position as of June 30, 2021. The \$15.7 million portion of Series J that was refunded was redeemed on November 1, 2021 at a price of 100% of the principal amount, plus accrued interest to the redemption date. The \$21.2 million portion of Series M that was refunded was redeemed on November 1, 2022 at a price of 100% of the principal amount, plus accrued interest to the redemption date. The \$41.7 million portion of Series N that was refunded was redeemed on November 1, 2023 at a price of 100% of the principal amount, plus accrued interest to the redemption date.

Revenue bond interest is payable to the bondholders on May 1 and November 1 of each year. Revenue bonds mature on November 1, in the years set forth below:

<u>Maturity</u>	<u>Principal</u>	<u>Interest</u>
2025	\$ 21,370,000	\$ 7,707,979
2026	22,175,000	6,879,896
2027	20,665,000	6,158,035
2028	21,265,000	5,536,346
2029	21,920,000	4,863,613
2030-2034	109,435,000	13,932,733
2035-2039	36,130,000	3,110,272
2040	4,995,000	78,047
	<u>\$ 257,955,000</u>	<u>\$ 48,266,921</u>

Long-term bond payable activity for the year ended June 30, 2024 was as follows:

	<u>Balance June 30, 2023</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance June 30, 2024</u>
Bonds payable	\$ 279,685,000	\$ -	\$ (21,730,000)	\$ 257,955,000
Premium on bonds payable	11,151,743	-	(1,693,467)	9,458,276
Discount on bonds payable	(482,774)	-	87,725	(395,049)
Total bonds payable	<u>\$ 290,353,969</u>	<u>-</u>	<u>\$ (23,335,742)</u>	<u>\$ 267,018,227</u>

### Note Payable

On October 1, 2022, CSCU entered into an installment payment agreement (IPA) with a financial institution for \$37.1 million for the purchase of IT infrastructure software and equipment. The outstanding balance on the IPA at June 30, 2024 is \$31.8 million, and CSUS's distributive share of this CSCU note payable is \$18.8 million and CT State's share is \$13.0 million. Part of the agreement included the receipt of cash of an equal amount in an escrow account to be used for the purchase of the equipment. The escrow account totaled \$1.0 million at June 30, 2024 for CSUS, and is included in cash and cash equivalents on the financial statements. The escrow account earned \$265.3 thousand of interest during 2024. The agreement calls for annual payments that began October 2023 and continues until October 2029 at 0% interest. CSUS's distributive portion of the payments is \$3.1 million each year for the next 6 years.

## 15. Deferred Outflows and Inflows of Resources

Deferred outflows and deferred inflows of resources consisted of the following as of June 30, 2024:

As of June 30, 2024	SERS	TRS	OPEB	Debt Refunding	Leases	Total
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
Difference between expected and actual experience	\$ 55,957,630	\$ 678,092	\$ 9,007,833	\$ -	\$ -	\$ 65,643,555
Changes of assumptions or other inputs	-	1,393,088	73,727,526	-	-	75,120,614
Net difference between projected and actual earnings on pension plan investments	10,179,760	779,677	5,407,725	-	-	16,367,162
Changes in proportion and differences between employer contributions and proportionate share of contributions	45,277,644	1,558,457	18,626,178	-	-	65,462,279
Loss on bond refunding	-	-	-	3,782,859	-	3,782,859
<b>Total</b>	<b>\$ 111,415,034</b>	<b>\$ 4,409,314</b>	<b>\$ 106,769,262</b>	<b>\$ 3,782,859</b>	<b>\$ -</b>	<b>\$ 226,376,469</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Difference between expected and actual experience	\$ -	\$ 150,988	\$ 58,930,759	\$ -	\$ -	\$ 59,081,747
Changes of assumptions or other inputs	544,112	-	265,299,141	-	-	265,843,253
Changes in proportion and differences between employer contributions and proportionate share of contributions	324,482,570	4,139,639	118,981,115	-	-	447,603,324
Unrecognized revenues from other than short term leases	-	-	-	-	1,819,701	1,819,701
<b>Total</b>	<b>\$ 325,026,682</b>	<b>\$ 4,290,627</b>	<b>\$ 443,211,015</b>	<b>\$ -</b>	<b>\$ 1,819,701</b>	<b>\$ 774,348,025</b>

**REQUIRED SUPPLEMENTARY INFORMATION**



**Schedule of Net Pension Liability and Related Ratios  
 State Employee Retirement System Plan**

Last 10 Fiscal Years

(in thousands)

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
System's proportion of the net pension liability	2.58%	3.42%	4.91%	4.55%	4.57%	4.07%	3.81%	4.23%	3.96%	3.61%
System's proportionate share of the net pension liability	\$ 535,249	\$ 754,892	\$ 1,043,539	\$ 1,078,763	\$ 1,042,307	\$ 882,365	\$ 876,024	\$ 972,053	\$ 653,585	\$ 577,890
System's covered payroll	\$ 107,567	\$ 129,631	\$ 212,152	\$ 205,687	\$ 196,238	\$ 175,779	\$ 144,700	\$ 152,195	\$ 154,782	\$ 140,369
System's proportionate share of the net pension liability as a percentage of its covered payroll	498%	582%	492%	524%	531%	502%	605%	639%	422%	412%
Plan Fiduciary net position as a percentage of the total pension liability	50.59%	45.76%	44.55%	35.84%	36.79%	36.62%	36.25%	31.69%	39.23%	39.54%

**Teachers Retirement System Plan**

Last 10 Fiscal Years

(in thousands)

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
System's proportion of the net pension liability	0.11%	0.11%	0.11%	0.11%	0.19%	0.19%	0.09%	0.09%	0.10%	0.10%
System's proportionate share of the net pension liability	\$ 19,155	\$ 20,654	\$ 17,117	\$ 21,599	\$ 32,124	\$ 24,769	\$ 12,309	\$ 12,986	\$ 10,524	\$ 9,727
State's proportionate share of the net pension liability associated with the System	\$ 19,155	\$ 20,654	\$ 17,117	\$ 21,612	\$ 27,060	\$ 24,769	\$ 12,986	\$ 12,986	\$ 10,524	\$ 9,715
Total	<u>\$ 38,310</u>	<u>\$ 41,308</u>	<u>\$ 34,234</u>	<u>\$ 43,211</u>	<u>\$ 59,184</u>	<u>\$ 49,539</u>	<u>\$ 25,296</u>	<u>\$ 25,973</u>	<u>\$ 21,048</u>	<u>\$ 19,442</u>
System's covered payroll	\$ 5,524	\$ 5,156	\$ 5,453	\$ 5,331	\$ 5,075	\$ 4,729	\$ 3,652	\$ 4,128	\$ 3,930	\$ 3,813
System's proportionate share of the net pension liability as a percentage of its covered payroll	347%	401%	314%	405%	633%	524%	337%	315%	268%	255%
Plan Fiduciary net position as a percentage of the total pension liability	58.39%	54.06%	49.24%	52.00%	57.69%	55.93%	52.26%	59.50%	61.56%	N/A

**Connecticut State University System**

Schedule of Net OPEB Liability and Related Ratios (Unaudited)

June 30, 2024 – 2017



	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
System's proportion of the net OPEB liability	5.53%	5.95%	6.10%	6.13%	6.47%	5.57%	4.62%	4.73%
System's proportionate share of the net OPEB liability	\$ 862,284	\$ 921,402	\$ 1,191,797	\$ 1,443,409	\$ 1,338,987	\$ 967,346	\$ 996,032	\$ 1,021,242
System's covered payroll	\$ 268,988	\$ 223,462	\$ 222,718	\$ 229,674	\$ 234,304	\$ 246,719	\$ 251,239	\$ 260,591
System's proportionate share of the net OPEB liability as a percentage of its covered payroll	321%	412%	535%	628%	571%	392%	396%	392%
Plan Fiduciary net position as a percentage of the total OPEB liability	14.60%	12.63%	10.12%	6.13%	5.40%	4.69%	3.03%	1.94%

<sup>1</sup> Until a full 10-year trend is compiled, the System is presenting only information for years for which information is available.

**State Employee Retirement System Plan**  
Last 10 Fiscal Years  
(in thousands)

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 84,163	\$ 97,529	\$ 87,694	\$ 73,503	\$ 72,115	\$ 59,187	\$ 64,638	\$ 64,086	\$ 54,526	\$ 45,789
Contributions in relation to the contractually required contribution	<u>(84,163)</u>	<u>(97,529)</u>	<u>(87,694)</u>	<u>(73,503)</u>	<u>(72,115)</u>	<u>(58,714)</u>	<u>(64,121)</u>	<u>(63,574)</u>	<u>(54,254)</u>	<u>(45,789)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 473</u>	<u>\$ 517</u>	<u>\$ 513</u>	<u>\$ 273</u>	<u>\$ -</u>
System's covered payroll	\$ 107,567	\$ 129,631	\$ 212,152	\$ 205,687	\$ 196,238	\$ 175,779	\$ 144,700	\$ 152,195	\$ 154,782	\$ 140,369
Contributions as a percentage of covered payroll	78.24%	75.24%	41.34%	35.74%	36.75%	33.40%	44.31%	41.77%	35.05%	32.62%

**Teachers Retirement System Plan**  
Last 10 Fiscal Years  
(in thousands)

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 1,777	\$ 1,628	\$ 1,433	\$ 1,386	\$ 2,432	\$ 2,394	\$ 923	\$ 889	\$ 944	\$ 910
Contributions in relation to the contractually required contribution	<u>(1,792)</u>	<u>(2,425)</u>	<u>(1,831)</u>	<u>(1,596)</u>	<u>(1,861)</u>	<u>(1,234)</u>	<u>(570)</u>	<u>(1,324)</u>	<u>(1,517)</u>	<u>(1,343)</u>
Contribution deficiency (excess)	<u>\$ (14)</u>	<u>\$ (797)</u>	<u>\$ (398)</u>	<u>\$ (210)</u>	<u>\$ 571</u>	<u>\$ 1,160</u>	<u>\$ 353</u>	<u>\$ (435)</u>	<u>\$ (573)</u>	<u>\$ (433)</u>
System's covered payroll	\$ 5,524	\$ 5,156	\$ 5,453	\$ 5,331	\$ 5,075	\$ 4,729	\$ 3,652	\$ 4,128	\$ 3,930	\$ 3,813
Contributions as a percentage of covered payroll	32.44%	47.03%	33.58%	29.95%	36.66%	26.10%	15.59%	32.07%	38.60%	35.22%

**Schedule of Contributions  
 Other Post Employment Benefits**

Last 10 Fiscal Years <sup>1</sup>  
 (in thousands)

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Contractually required contribution	\$ 47,016	\$ 50,411	\$ 52,980	\$ 53,174	\$ 48,746	\$ 44,677	\$ 38,553	\$ 36,046
Contributions in relation to the contractually required contribution	<u>(47,016)</u>	<u>(50,411)</u>	<u>(52,980)</u>	<u>(53,174)</u>	<u>(48,746)</u>	<u>(44,677)</u>	<u>(38,553)</u>	<u>(36,046)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
System's covered payroll	\$ 268,988	\$ 223,462	\$ 222,718	\$ 229,674	\$ 234,304	\$ 246,719	\$ 251,239	\$ 260,591
Contributions as a percentage of covered employee payroll	17.48%	22.56%	23.79%	23.15%	20.80%	18.11%	15.35%	13.83%

<sup>1</sup> Until a full 10-year trend is compiled, the System is presenting only information for years for which information is available.



## 1. Supplementary Information

### Pension Plans

Changes of benefit terms:

- Legislation was passed restoring the 25% wear down of Plan N benefits to vested members as of June 30, 2019

Changes of assumptions:

- None

### State Employee OPEB Plan

Changes of benefit terms:

- None

Changes of assumptions:

Effective June 30, 2023:

- The discount rate was updated in accordance with GASB No. 75 to 3.90% as of June 30, 2022

Effective June 30, 2024:

- The discount rate was updated to 6.90% as of June 30, 2023 for contributory members and 3.65% as of June 30, 2023 for non-contributory members
- The per capita health costs, administrative expenses and retiree contributions were updated for recent experience
- The actuarial factors used to estimate individual retiree and spouse costs by age and gender were updated
- The health care cost trend rates and the retiree contribution increase rates were revised to reflect current experience and future expectations
- The Medicare prescription drug trend rates were updated to reflect an estimate for the impact of the Inflation Reduction Act

## **SUPPLEMENTARY SCHEDULES**



	CCSU	ECSU	SCSU	WCSU	SO	Combining Adjustments	2024
<b>Assets</b>							
Current assets:							
Cash and cash equivalents	\$ 93,600,779	\$ 40,659,380	\$ 79,708,464	\$ 36,112,434	\$ 43,068,866	\$ -	\$ 293,149,923
Investments	-	-	-	-	37,656,187	-	37,656,187
Accounts receivable, net	7,752,582	2,284,099	4,290,516	2,114,420	4,619	-	16,446,236
Due from the State of Connecticut	11,858,425	7,923,659	12,496,758	5,957,101	2,499,356	-	40,735,299
Due from SO and Universities	10,057	241,940	560,223	1,096,121	75,368	(1,983,709)	-
Prepaid expenses and other current assets	4,807,711	1,479,043	1,880,988	268,603	345,694	-	8,782,039
<b>Total current assets</b>	<b>118,029,554</b>	<b>52,588,121</b>	<b>98,936,949</b>	<b>45,548,679</b>	<b>83,650,090</b>	<b>(1,983,709)</b>	<b>396,769,684</b>
Noncurrent assets:							
Cash and cash equivalents	62,444,409	26,138,278	32,169,746	365,244	92,854,535	-	213,972,212
Investments	-	-	-	-	29,741,796	-	29,741,796
Accounts receivable, net	742,512	530,995	2,615,762	30,073	-	-	3,919,342
Other assets	-	-	21,230	-	-	-	21,230
Investment in capital assets	710,996,364	534,591,141	729,085,560	467,809,593	47,157,772	-	2,489,640,430
Accumulated depreciation	(331,221,424)	(248,397,110)	(383,174,007)	(237,026,871)	(22,612,214)	-	(1,222,431,626)
Investment in capital assets, net of accumulated depreciation	379,774,940	286,194,031	345,911,553	230,782,722	24,545,558	-	1,267,208,804
<b>Total noncurrent assets</b>	<b>442,961,861</b>	<b>312,863,304</b>	<b>380,718,291</b>	<b>231,178,039</b>	<b>147,141,889</b>	<b>-</b>	<b>1,514,863,384</b>
<b>Total assets</b>	<b>\$ 560,991,415</b>	<b>\$ 365,451,425</b>	<b>\$ 479,655,240</b>	<b>\$ 276,726,718</b>	<b>\$ 230,791,979</b>	<b>\$ (1,983,709)</b>	<b>\$ 1,911,633,068</b>
<b>Deferred outflows of resources:</b>							
Deferred pension	\$ -	\$ -	\$ -	\$ -	\$ 115,824,348	\$ -	\$ 115,824,348
Deferred other post employment benefits	-	-	-	-	106,769,262	-	106,769,262
Deferred loss on bond refunding	-	-	-	-	3,782,859	-	3,782,859
<b>Total deferred outflows of resources</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 226,376,469</b>	<b>\$ -</b>	<b>\$ 226,376,469</b>



	CCSU	ECSU	SCSU	WCSU	SO	Combining Adjustments	2024
<b>Liabilities</b>							
<b>Current liabilities:</b>							
Accounts payable	\$ 7,548,289	\$ 2,421,034	\$ 5,303,023	\$ 3,027,690	\$ 299,425	\$ -	\$ 18,599,461
Accrued salaries and benefits	15,236,835	7,341,648	15,620,771	7,085,779	441,474	-	45,726,507
Accrued compensated absences	2,260,461	1,433,390	1,791,680	759,384	234,679	-	6,479,594
Due to the State of Connecticut	53,986	1,076	292,046	-	-	-	347,108
Due to SO and Universities	18,819	20,133	18,819	17,597	1,908,341	(1,983,709)	-
Unearned tuition, fees and grant revenue	13,259,062	3,321,187	13,935,212	7,292,489	-	-	37,807,950
Bonds payable	-	-	-	-	21,370,000	-	21,370,000
Note Payable	-	-	-	-	3,139,036	-	3,139,036
Accrued bond interest payable	-	-	-	-	1,351,496	-	1,351,496
Leases payable	156,255	57,495	62,316	64,394	-	-	340,460
Subscription liabilities	755,557	874,198	1,089,059	1,159,307	827,744	-	4,705,865
Other liabilities	392,777	68,531	637,796	609,964	1,416,517	-	3,125,585
Depository accounts	2,486,879	1,350,465	2,934,020	159,280	-	-	6,930,644
Total current liabilities	42,168,920	16,889,157	41,684,742	20,175,884	30,988,712	(1,983,709)	149,923,706
<b>Noncurrent liabilities:</b>							
Accrued compensated absences	18,140,814	9,076,659	20,146,757	9,358,267	1,388,278	-	58,110,775
Bonds payable	-	-	-	-	245,648,227	-	245,648,227
Note payable	-	-	-	-	15,695,188	-	15,695,188
Federal loan program advances	-	360,904	-	804,077	-	-	1,164,981
Leases payable	214,670	24,694	84,655	18,700	-	-	342,719
Subscription liabilities	876,792	687,980	1,005,398	1,185,780	4,260,770	-	8,016,720
Other noncurrent liabilities	-	29,645	3,726,666	28,196	-	-	3,784,507
Pension liability, net	-	-	-	-	554,403,575	-	554,403,575
Other post employment benefits, net	-	-	-	-	862,283,562	-	862,283,562
Total noncurrent liabilities	19,232,276	10,179,882	24,963,476	11,395,020	1,683,679,600	-	1,749,450,254
Total liabilities	\$ 61,401,196	\$ 27,069,039	\$ 66,648,218	\$ 31,570,904	\$ 1,714,668,312	\$ (1,983,709)	\$ 1,899,373,960
<b>Deferred inflows of resources:</b>							
Deferred pension	\$ -	\$ -	\$ -	\$ -	\$ 329,317,309	\$ -	\$ 329,317,309
Deferred other post employment benefits	-	-	-	-	443,211,015	-	443,211,015
Deferred lease inflows	812,898	645,529	361,274	-	-	-	1,819,701
Total deferred inflows of resources	\$ 812,898	\$ 645,529	\$ 361,274	\$ -	\$ 772,528,324	\$ -	\$ 774,348,025
<b>Net Position</b>							
Net investment in capital assets	\$ 377,771,666	\$ 285,223,498	\$ 343,670,124	\$ 230,782,722	\$ (239,324,615)	\$ -	\$ 998,123,395
Restricted:							
Nonexpendable	-	60,000	75,036	407,116	-	-	542,152
Expendable	10,921,733	4,336,747	4,908,892	2,083,308	45,870,765	-	68,121,445
Unrestricted	110,083,922	48,116,612	63,991,696	11,882,668	(1,836,574,338)	-	(1,602,499,440)
Total net position	\$ 498,777,321	\$ 337,736,857	\$ 412,645,748	\$ 245,155,814	\$ (2,030,028,188)	\$ -	\$ (535,712,448)

**Connecticut State University System**

Supplemental Information – Combining Schedule of Revenues, Expenses and Changes in Net Position  
June 30, 2024



	<u>CCSU</u>	<u>ECSU</u>	<u>SCSU</u>	<u>WCSU</u>	<u>SO</u>	<u>Combining Adjustments</u>	<u>2024</u>
Operating revenues:							
Tuition and fees:							
Tuition and fees, gross	\$ 118,464,678	\$ 46,760,183	\$ 116,667,379	\$ 50,448,479	\$ -	\$ -	\$ 332,340,719
Less:							
Scholarships allowance	(17,024,155)	(14,367,216)	(8,374,553)	(7,031,413)	-	-	(46,797,337)
Waivers	(6,687,642)	(2,403,847)	(9,995,569)	(1,912,743)	-	-	(20,999,801)
Tuition and fees, net of scholarship allowances and waivers	94,752,881	29,989,120	98,297,257	41,504,323	-	-	264,543,581
Federal grants and contracts	8,102,108	3,606,781	9,751,311	1,527,581	-	-	22,987,781
State and local grants and contracts	2,223,316	556,607	1,764,022	3,341,757	-	-	7,885,702
Nongovernment grants and contracts	2,084,445	7,592	5,339,329	37,922	-	-	7,469,288
Indirect cost recoveries	396,496	35,057	239,227	235	-	-	671,015
Auxiliary revenues	31,192,661	27,795,700	27,526,338	15,664,623	-	-	102,179,322
Other operating revenues	2,502,691	755,251	1,200,764	982,707	18,420	-	5,459,833
Total operating revenues	<u>141,254,598</u>	<u>62,746,108</u>	<u>144,118,248</u>	<u>63,059,148</u>	<u>18,420</u>	<u>-</u>	<u>411,196,522</u>
Operating expenses:							
Salaries and wages	114,849,249	61,172,737	127,681,684	64,333,162	5,470,600	-	373,507,432
Fringe benefits	28,818,737	15,038,941	29,534,556	14,438,273	12,961,708	-	100,792,215
Professional services and fees	6,625,191	3,139,725	7,059,639	3,696,718	1,935,715	-	22,456,988
Educational services and support	41,420,960	16,432,793	48,135,611	20,116,063	715,854	-	126,821,281
Travel expenses	2,401,458	886,617	2,373,918	743,370	158,846	-	6,564,209
Operation of facilities	21,456,020	8,906,700	12,486,235	13,583,602	6,276	-	56,438,833
Other operating supplies and expenses	7,468,881	6,489,896	6,379,322	5,204,006	434,804	-	25,976,909
Depreciation expense	19,526,757	16,381,303	21,582,410	12,798,862	546,353	-	70,835,685
Amortization expense	1,477,133	1,202,627	1,637,298	1,439,604	1,764,827	-	7,521,489
Total operating expenses	<u>244,044,386</u>	<u>129,651,339</u>	<u>256,870,673</u>	<u>136,353,660</u>	<u>23,994,983</u>	<u>-</u>	<u>790,915,041</u>
Operating loss	<u>\$ (102,789,788)</u>	<u>\$ (66,905,231)</u>	<u>\$ (112,752,425)</u>	<u>\$ (73,294,512)</u>	<u>\$ (23,976,563)</u>	<u>\$ -</u>	<u>\$ (379,718,519)</u>

	<u>CCSU</u>	<u>ECSU</u>	<u>SCSU</u>	<u>WCSU</u>	<u>SO</u>	<u>Combining Adjustments</u>	<u>2024</u>
Nonoperating revenues (expenses)							
State appropriations	\$ 59,987,856	\$ 36,289,706	\$ 58,245,452	\$ 38,923,537	\$ 16,428,367	\$ -	\$ 209,874,918
Pell grant revenue	15,857,448	6,133,176	15,583,412	6,787,505	-	-	44,361,541
Federal emergency grant revenue	29,591,794	14,551,458	28,763,855	13,929,907	-	-	86,837,014
Gifts	3,495,471	233,988	1,295,002	27,484	-	-	5,051,945
Investment income	8,498,238	3,814,295	6,373,418	2,148,347	9,326,724	-	30,161,022
Interest expense	(15,542)	(105,379)	(142,194)	47,593	(8,338,482)	-	(8,554,004)
Capital projects financed by SO	3,774,474	2,853,434	3,342,929	3,503,212	(13,474,049)	-	-
Other nonoperating revenues (expenses), net	220,904	20,846	782,605	202,664	186,072	-	1,413,091
Net nonoperating revenues (expenses)	121,410,643	63,791,524	114,244,479	65,570,249	4,128,632	-	369,145,527
Income (loss) before other changes in net position	18,620,855	(3,113,707)	1,492,054	(7,724,263)	(19,847,931)	-	(10,572,992)
Other changes in net position							
State appropriations restricted for capital purposes	20,821,143	8,926,968	6,666,223	1,276,916	702,858	-	38,394,108
Loss on disposal of capital assets	(1,907,699)	(368,304)	(126,558)	(16,130)	-	-	(2,418,691)
Interagency transfers	(14,848,363)	(7,704,320)	(10,038,453)	(6,650,733)	39,241,869	-	-
Other changes in net position	4,065,081	854,344	(3,498,788)	(5,389,947)	39,944,727	-	35,975,417
Change in net position	22,685,936	(2,259,363)	(2,006,734)	(13,114,210)	20,096,796	-	25,402,425
Net position at beginning of year	476,091,385	339,996,220	414,652,482	258,270,024	(2,050,124,984)	-	(561,114,873)
Net position at end of year	\$ 498,777,321	\$ 337,736,857	\$ 412,645,748	\$ 245,155,814	(2,030,028,188)	\$ -	\$ (535,712,448)

**Connecticut State University System**  
Supplemental Information – Combining Schedule of Cash Flows  
June 30, 2024



	<u>CCSU</u>	<u>ECSU</u>	<u>SCSU</u>	<u>WCSU</u>	<u>SO</u>	<u>Combining Adjustments</u>	<u>2024</u>
<b>Cash flows from operating activities:</b>							
Tuition and fees	\$ 93,670,799	\$ 28,168,359	\$ 98,816,311	\$ 43,977,985	\$ -	\$ -	\$ 264,633,454
Grants and contracts	14,201,818	4,170,980	18,194,025	4,123,638	-	-	40,690,461
Auxiliary revenues	30,760,208	27,721,885	26,140,957	15,760,742	-	-	100,383,792
Other operating revenues	2,735,599	967,328	46,103	1,379,612	18,420	-	5,147,062
Payments to employees for salaries and benefits	(145,946,111)	(78,172,407)	(157,589,867)	(81,002,755)	(7,112,153)	-	(469,823,293)
Payments to suppliers	(797,391)	(809,597)	(1,775,738)	(2,403,766)	(92,912)	-	(5,879,404)
Professional services and fees	(6,606,372)	(3,144,592)	(7,040,820)	(3,679,121)	(2,011,083)	-	(22,481,988)
Educational services and support	(41,420,960)	(16,432,792)	(48,135,611)	(20,116,063)	(715,854)	-	(126,821,280)
Travel expenses	(2,401,458)	(886,617)	(2,373,918)	(743,370)	(158,846)	-	(6,564,209)
Operation of facilities	(21,456,019)	(8,906,700)	(12,486,235)	(13,583,602)	(6,276)	-	(56,438,832)
Other operating supplies and expenses	(4,179,182)	(5,674,013)	(4,662,947)	(7,052,532)	(288,067)	-	(21,856,741)
Net cash used in operating activities	<u>(81,439,069)</u>	<u>(52,998,166)</u>	<u>(90,867,740)</u>	<u>(63,339,232)</u>	<u>(10,366,771)</u>	-	<u>(299,010,978)</u>
<b>Cash flows from noncapital financing activities:</b>							
State appropriations	65,601,124	36,028,225	61,651,586	43,327,021	16,407,495	-	223,015,451
Gifts for other than capital purposes	3,495,471	233,989	1,295,002	27,484	-	-	5,051,946
Nonoperating grants and revenue other	45,666,301	20,623,330	45,129,871	20,892,763	-	-	132,312,265
Interagency transfers	(14,848,363)	(7,704,320)	(10,038,453)	(6,650,733)	39,241,869	-	-
Net cash provided by noncapital financing activities	<u>\$ 99,914,533</u>	<u>\$ 49,181,224</u>	<u>\$ 98,038,006</u>	<u>\$ 57,596,535</u>	<u>\$ 55,649,364</u>	<u>\$ -</u>	<u>\$ 360,379,662</u>
<b>Cash flows from investing activities:</b>							
Proceeds from sales and maturities of investments	\$ -	\$ -	\$ -	\$ -	\$ 43,273,421	\$ -	43,273,421
Purchases of investments	-	-	-	-	(30,731,498)	-	(30,731,498)
Interest and dividends received on investments	8,444,379	3,814,295	6,446,371	2,156,405	10,258,763	-	31,120,213
Net cash provided by investing activities	<u>8,444,379</u>	<u>3,814,295</u>	<u>6,446,371</u>	<u>2,156,405</u>	<u>22,800,686</u>	<u>-</u>	<u>43,662,136</u>
<b>Cash flows from capital and related financing activities:</b>							
Purchases of capital assets	(30,575,264)	(12,563,340)	(15,312,656)	(1,079,044)	(161,770)	-	(59,692,074)
Capital projects financed by SO	10,359,211	8,272,738	6,786,463	8,084,119	(33,502,531)	-	-
State capital appropriations received	18,708,354	8,926,968	10,285,980	1,276,916	676,272	-	39,874,490
Principal paid on debt and other obligations	(678,155)	(714,546)	(805,463)	(748,386)	(26,323,892)	-	(29,270,442)
Interest paid on debt and other obligations	(15,542)	(105,476)	(133,553)	4,928	(8,821,150)	-	(9,070,793)
Net cash provided by (used in) capital and related financing activities	<u>(2,201,396)</u>	<u>3,816,344</u>	<u>820,771</u>	<u>7,538,533</u>	<u>(68,133,071)</u>	<u>-</u>	<u>(58,158,819)</u>
Net increase (decrease) in cash and cash equivalents	24,718,447	3,813,697	14,437,408	3,952,241	(49,792)	-	46,872,001
Cash and cash equivalents, beginning of year	<u>131,326,741</u>	<u>62,983,961</u>	<u>97,440,802</u>	<u>32,525,437</u>	<u>135,973,193</u>	<u>-</u>	<u>460,250,134</u>
Cash and cash equivalents, end of year	<u>\$ 156,045,188</u>	<u>\$ 66,797,658</u>	<u>\$ 111,878,210</u>	<u>\$ 36,477,678</u>	<u>\$ 135,923,401</u>	<u>\$ -</u>	<u>\$ 507,122,135</u>

	<u>CCSU</u>	<u>ECSU</u>	<u>SCSU</u>	<u>WCSU</u>	<u>SO</u>	<u>Combining Adjustments</u>	<u>2024</u>
Reconciliation of operating loss to net cash used in operating activities:							
Operating loss	\$ (102,789,788)	\$ (66,905,231)	\$ (112,752,425)	\$ (73,294,512)	\$ (23,976,563)	\$ -	\$ (379,718,519)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:							
Depreciation expense	19,526,757	16,381,303	21,582,410	12,798,862	546,353	-	70,835,685
Amortization	1,477,133	1,202,627	1,637,298	1,439,604	1,764,827	-	7,521,489
Changes in assets and liabilities:							
Receivables	(1,162,984)	(424,214)	(1,639,234)	264,649	-	-	(2,961,783)
Prepaid expenses and other	(631,025)	206,757	(242,552)	27,925	44,395	-	(594,500)
Accounts payable	2,925,996	(244,818)	659,410	(4,228,578)	8,751	-	(879,239)
Accrued salaries and benefits	(3,096,109)	(1,552,780)	(3,329,166)	(2,007,863)	7,871	-	(9,978,047)
Other liabilities	92,906	44,348	2,069,085	24,853	679	-	2,231,871
Due to/from State of Connecticut	-	944	5,358	(162)	-	-	6,140
Due to/from Universities	8,762	(21,626)	4,582	5,505	2,777	-	-
Unearned tuition, fees and grant revenues	1,256,974	(1,955,961)	894,052	1,814,375	-	-	2,009,440
Deferred compensation	-	-	-	-	(409,428)	-	(409,428)
Depository accounts	224,313	104,459	(317,086)	27,315	-	-	39,001
Accrued compensated absences	828,041	(392,133)	736,198	(211,205)	(176,130)	-	784,771
Pension liability	-	-	-	-	(221,142,658)	-	(221,142,658)
Other post employment benefits	-	-	-	-	(59,118,005)	-	(59,118,005)
Changes in deferred outflows	-	-	-	-	290,214,064	-	290,214,064
Changes in deferred inflows	(100,045)	558,159	(175,670)	-	1,866,296	-	2,148,740
Net cash used in operating activities	<u>\$ (81,439,069)</u>	<u>\$ (52,998,166)</u>	<u>\$ (90,867,740)</u>	<u>\$ (63,339,232)</u>	<u>\$ (10,366,771)</u>	<u>\$ -</u>	<u>\$ (299,010,978)</u>
Noncash investing, noncapital financing and capital and related financing transactions:							
Fixed assets included in accounts payable	\$ 94,877	\$ 1,428,601	\$ 1,889,690	\$ 1,084,030	\$ -	\$ -	\$ 4,497,198
Reconciliation of cash and cash equivalents to the combined statements of net assets:							
Cash and cash equivalents classified as current assets	\$ 93,600,779	\$ 40,659,380	\$ 79,708,464	\$ 36,112,434	\$ 43,068,866	\$ -	\$ 293,149,923
Cash and cash equivalents classified as noncurrent assets	62,444,409	26,138,278	32,169,746	365,244	92,854,535	-	213,972,212
	<u>\$ 156,045,188</u>	<u>\$ 66,797,658</u>	<u>\$ 111,878,210</u>	<u>\$ 36,477,678</u>	<u>\$ 135,923,401</u>	<u>\$ -</u>	<u>\$ 507,122,135</u>



**1. Basis of Presentation of Supplemental Information**

The supplementary schedules are presented to provide information from the stand-alone books and records of the universities and system office. The supplementary schedules exclude certain eliminating entries necessary to prepare the consolidated financial statements of CSUS. The supplementary schedules also do not include the impact of the adoption of GASB 68, *Pensions*, or GASB 75, *other post-employment benefits*, on the individual universities as reported in the financial statements of CSUS because the liability has not been allocated to the universities but rather is reflected only at the CSUS system level in the financial statements.