

ANNUAL FINANCIAL INFORMATION
of
UNIVERSITY OF MASSACHUSETTS BUILDING AUTHORITY
and
UNIVERSITY OF MASSACHUSETTS
for the
FISCAL YEAR ENDED JUNE 30, 2022

DATED MARCH 20, 2023

UNIVERSITY OF MASSACHUSETTS BUILDING AUTHORITY
COVERED BONDS

Project Revenue Bonds, Senior Series 2009-2 (Federally Taxable – Build America Bonds – Direct Pay to Issuer)

Project Revenue Bonds, Senior Series 2009-3 (Federally Taxable)

Project Revenue Bonds, Senior Series 2010-2 (Federally Taxable – Build America Bonds – Direct Pay to Issuer)

Project Revenue Bonds, Senior Series 2010-3 ((Federally Taxable)

Project Revenue Bonds, Senior Series 2013-1

Project Revenue Bonds, Senior Series 2013-2 (Federally Taxable)

Project and Refunding Revenue Bonds, Senior Series 2013-3

Project Revenue Bonds, Senior Series 2014-1

Refunding Revenue Bonds, Senior Series 2014-3

Refunding Revenue Bonds, Senior Series 2014-4 (Federally Taxable)

Project Revenue Bonds, Senior Series 2015-1

Refunding Revenue Bonds, Senior Series 2015-2

Project Revenue Bonds, Senior Series 2017-1

Project Revenue Bonds, Senior Series 2017-2 (Federally Taxable)

Refunding Revenue Bonds, Senior Series 2017-3

Refunding Revenue Bonds, Senior Series 2019-1

ANNUAL FINANCIAL INFORMATION
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UNIVERSITY OF MASSACHUSETTS BUILDING AUTHORITY
and
UNIVERSITY OF MASSACHUSETTS
for the
FISCAL YEAR ENDED JUNE 30, 2022

This report (this “Report”) is being filed by the University of Massachusetts Building Authority (the “Authority”) and the University of Massachusetts (the “University”) pursuant to certain continuing disclosure agreements entered into by the Authority and the University, under and in accordance with the provisions of Rule 15c2-12, as amended, of the Securities and Exchange Commission, in connection with the issuance by the Authority of bonds on behalf of the University identified on the inside cover page of this Report (the “Covered Bonds”). This Report is being filed with the Municipal Securities Rulemaking Board via its Electronic Municipal Market Access system (“EMMA”) with respect to the CUSIP Numbers for the Covered Bonds. No representation is made as to the correctness or accuracy of such CUSIP Numbers.

All information contained herein has been furnished or obtained by the Authority or the University from sources believed by them to be accurate and reliable. None of the information contained in this Report has been prepared or reviewed by the Authority’s or the University’s independent auditors, other than the audited financial statements referenced herein. The information contained in this Report is subject to change without notice and delivery of this information shall not, under any circumstances, create any implication that there has been no change in the affairs of the Authority or the University since the date hereof. Reference should be made to the applicable official statements and the operative documents for the Covered Bonds for a full and complete statement of the terms of the Covered Bonds.

THIS IS NOT AN OFFERING DOCUMENT

The information in this Report relates to bond issues of the Authority that have been sold and distributed in an underwritten public offering described in the related official statement. Each reader of the following information acknowledges that (i) the Authority is not now by this document offering any bonds or other securities, nor soliciting an offer to buy any securities, (ii) this information is not to be construed as any description of the Authority or the University in conjunction with any offering of bonds or securities of the Authority – such offerings are only made pursuant to the appropriate official statements of the Authority – nor shall anyone assume from the availability of the following information that the affairs of the Authority or the University have not changed since the date of this information, (iii) no representation is made as to the propriety or legality of any secondary market trading of the Covered Bonds or other securities of the Authority by anyone in any jurisdiction, and (iv) neither the Authority nor the University hereby obligates itself in any manner to periodically or otherwise update this information.

The information contained in this Report may include “forward looking statements” by using forward-looking words such as “may,” “will,” “should,” “expects,” “believes,” “anticipates,” “estimates,” or others. You are cautioned that forward-looking statements are subject to a variety of uncertainties that could cause actual results to differ from the projected results. Those risks and uncertainties include general economic and business conditions, receipt of funding grants, and various other factors that are beyond the control of the Authority and the University. Because neither the Authority nor the University can predict all factors that may affect future decisions, actions, events, financial circumstances, or future changes in policy by the Authority or the University, what actually happens may be different from what is included in forward-looking statements.

Audited Financial Statements

Under the continuing disclosure agreements applicable to the Covered Bonds, the Authority and the University each are required to file with this Report their respective audited financial statements for the applicable fiscal year if such audited financial statements are available. On January 26, 2023, the Authority filed with EMMA its audited financial statements for Fiscal Year 2022 (the “Authority FY22 Financial Statements”). The Authority FY22 Financial Statements can be found on EMMA at <https://emma.msrb.org/P11653731-P11273793-P11701596.pdf>. On

January 26, 2023, the University filed with EMMA its audited financial statements for Fiscal Year 2022 (the “[University FY22 Financial Statements](https://emma.msrb.org/P11653731-P11273793-P11701597.pdf)”). The University FY22 Financial Statements can be found on EMMA at <https://emma.msrb.org/P11653731-P11273793-P11701597.pdf>.

THE AUTHORITY

MEMBERS, OFFICERS AND STAFF

Members and Officers

The members and officers of the Authority as of June 30, 2022 and the dates of expiration of their respective terms are as follows:

<u>Member’s Name, Position, Residence and Profession</u>	<u>Term Expires</u>
Victor Woolridge,* Chair, Springfield Vice President, Barings	September 1, 2019 ⁺
Mary Burns,* Secretary/Treasurer, Lowell Principal, Splash Media Group Boston, LLC and Principal, Chesapeake Outdoor, LLC	September 13, 2023
James McLaugh, Member, Needham Executive Director & Counsel, US State and Local Government Affairs, General Electric	June 30, 2020 ⁺
Michael J. O’Brien,* Member, Southborough Executive Vice President, WinnCompanies	September 1, 2021 ⁺
Kelly O’Neill, Member, Danvers Senior Associate, BSC Group	June 30, 2023
Christopher Philbin, Member, West Boylston VP – Office of Government Affairs, Partners Healthcare System, Inc.	June 30, 2019 ⁺
John T. Smolak, Member, North Andover Partner and Co-Founder, Smolak & Vaughan LLP	June 30, 2021 ⁺
Charles Wu,* Member, Newton Managing Director, BayNorth Capital	September 13, 2023

There are three vacancies on the Authority Board.

* University Trustee member of Authority Board. Pursuant to the Enabling Act, the members who are appointive members of the University Trustees shall continue in office as members of the Authority so long as they continue in office as University Trustees. The date indicated is the expiration date of such member’s term as a University Trustee.

⁺ Each member continues in office until his or her successor is appointed and qualified.

Staff

Barbara J. Kroncke is the Executive Director of the Authority. Prior to joining the Authority in October 2019, Ms. Kroncke served as Managing Partner of the Boston office of McCarter & English, LLP and practice group leader of the Public Finance Group. Ms. Kroncke provided counsel in all areas of public finance, including bond counsel, issuer’s counsel, disclosure counsel, underwriter’s counsel, purchaser’s counsel and credit enhancer counsel. Ms. Kroncke received a Bachelor of Arts from Loyola University of Chicago in 1986, and received a J.D. degree from New England School of Law in 1990.

David P. Mullen, Esq. is the Deputy Director and General Counsel of the Authority. Prior to joining the Authority in June 2015, Mr. Mullen was in private practice from December 2002. Previously, he served as the First Deputy General Counsel for the Massachusetts Bay Transportation Authority from August 2000 to November 2002. Prior to that Mr. Mullen was at the Massachusetts Highway Department from August 1992 to August 2000, serving as its Chief Counsel from 1998 to 2000. Mr. Mullen has also been an adjunct professor at law at the New England School of Law, Southern New England School of Law and Quincy College teaching various classes beginning in 1992

to present. After graduating from Suffolk University Law School in 1988, Mr. Mullen was appointed as an Assistant District Attorney in Suffolk County, Massachusetts. He has been a member of the Massachusetts Bar for 32 years and is a member of the Federal Bar.

Aaron D’Elia is the Chief Financial Officer and Treasurer of the Authority. Previously, Mr. D’Elia worked as the Chief Financial Officer for the Commonwealth’s Executive Office of Labor and Workforce Development from 2016 to early 2020, where he managed over \$200 million of annual federal and state administrative and programmatic spending. Mr. D’Elia also worked in a number of positions in the Commonwealth’s Executive Office for Administration and Finance from 1999 – 2006 and again from 2015 - 2016, including, Assistant Secretary of Capital Planning and Operations where he managed the planning, evaluation, and financing of state public infrastructure projects totaling approximately \$2 billion annually, and Director of Finance where he oversaw financial forecasting, state budget preparation, and production of the Commonwealth’s quarterly cash flow estimate in cooperation with the Offices of the State Treasurer and State Comptroller. Mr. D’Elia has a B.A. in History from the University of New Hampshire.

ANNUAL DEBT SERVICE REQUIREMENTS

The following table sets forth, for each fiscal year shown, the debt service on Authority bonds outstanding, including the Covered Bonds, under the Project Trust Agreement, including principal (whether at maturity or by mandatory sinking fund redemption), interest and total debt service.

Fiscal Year Ended <u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2022	\$ 98,895,000	\$116,882,937	\$215,777,937
2023	112,085,000	131,845,816	243,930,816
2024	124,725,000	125,746,733	250,471,733
2025	122,560,000	121,350,103	243,910,103
2026	118,610,000	116,662,866	235,272,866
2027	122,055,000	111,730,389	233,785,389
2028	126,915,000	106,661,840	233,576,840
2029	131,090,000	101,731,794	232,821,794
2030	133,425,000	96,332,812	229,757,812
2031	133,615,000	90,973,103	224,588,103
2032	129,650,000	85,435,385	215,085,385
2033	127,700,000	80,040,686	207,740,686
2034	128,405,000	74,851,845	203,256,845
2035	136,880,000	69,476,244	206,356,244
2036	140,830,000	64,077,413	204,907,413
2037	145,925,000	58,576,171	204,501,171
2038	144,790,000	52,563,980	197,353,980
2039	147,055,000	46,170,027	193,225,027
2040	132,965,000	39,866,438	172,831,438
2041	137,580,000	34,559,120	172,139,120
2042	109,540,000	29,776,845	139,316,845
2043	113,985,000	25,511,870	139,496,870
2044	112,885,000	21,230,611	134,115,611
2045	91,870,000	17,383,624	109,253,624
2046	61,480,000	14,257,267	75,737,267
2047	49,220,000	11,820,047	61,040,047
2048	51,530,000	9,508,593	61,038,593
2049	41,525,000	7,331,693	48,856,693
2050	43,465,000	5,388,215	48,853,215
2051	45,510,000	3,351,664	48,861,664
2052	22,520,000	1,746,500	24,266,500
2053	23,670,000	591,750	24,261,750

* With respect to the Authority’s Project Revenue Bonds, Senior Series 2009-2 and Project Revenue Bonds, Senior Series 2010-2, which were issued as so-called “Build America Bonds” under the American Recovery and Reinvestment Act of 2009 outstanding as of June 30, 2022 in the aggregate principal amount of \$430,555,000 and amortizing in accordance with the terms thereof, interest includes the cash subsidy payments expected to be received from the United States Department of the Treasury.

THE UNIVERSITY

UNIVERSITY CAMPUSES

Amherst Campus

The Amherst campus (“UMass Amherst” or the “Amherst Campus”) enrolled approximately 29,804 full-time equivalent (“FTE”) students for Fall 2021. UMass Amherst offers five associate-level programs and 111 bachelor’s, 79 master’s and 49 doctoral degree programs. During the 2021-2022 academic year, the Amherst Campus conferred 21 associate’s, 6,276 bachelor’s, and 2,147 advanced degrees (including 395 doctorate degrees), as well as 567 undergraduate certificates and 198 graduate certificates. Students may enroll in the College of Education, College of Engineering, College of Humanities and Fine Arts, Manning College of Information and Computer Sciences, Isenberg School of Management (“ISOM”), Elaine Marieb College of Nursing, College of Natural Sciences, School of Public Health and Health Sciences, College of Social and Behavioral Sciences, and the Stockbridge School of Agriculture.

Boston Campus

The Boston campus (“UMass Boston” or the “Boston Campus”) enrolled approximately 12,958 FTE students for Fall 2021. The Boston Campus offers 68 undergraduate degree programs, 49 master’s programs, and 30 doctoral programs, together with 12 undergraduate certificate programs and 53 graduate certificate programs. During the 2021-2022 academic year, the Boston Campus conferred 2,754 bachelor’s degrees and 916 advanced degrees (including 104 doctorate degrees), as well as 16 undergraduate certificates and 195 graduate certificates. Students may enroll in the College of Liberal Arts, College of Science and Mathematics, College of Management, College of Nursing and Health Sciences, McCormack Graduate School of Policy and Global Studies, College of Education and Human Development, School for Global Inclusion and Social Development, Honors College, and School for the Environment.

Dartmouth Campus

The Dartmouth campus (“UMass Dartmouth” or the “Dartmouth Campus”) enrolled 6,457 FTE students for Fall 2021. The Dartmouth Campus offers 60 undergraduate degree programs and 55 graduate degree programs (including 13 at the doctorate level). During the 2021-2022 academic year, the Dartmouth Campus conferred 1,285 bachelor’s degrees and 582 advanced degrees (including 128 doctorate degrees), as well as 26 undergraduate certificates and 56 graduate certificates. Students may enroll in the College of Arts and Sciences (with a School of Education), the Charlton College of Business, the College of Engineering, the College of Nursing and Health Sciences, the College of Visual and Performing Arts, the School for Marine Science and Technology, and the University of Massachusetts School of Law (the “Law School”).

Lowell Campus

The Lowell Campus (“UMass Lowell” or the “Lowell Campus”) enrolled 14,321 FTE students for Fall 2021. The Lowell Campus offers five associate’s, 138 bachelor’s, 50 master’s and 28 doctoral degree programs, as well as undergraduate and graduate certificate programs. During the 2021-2022 academic year, the Lowell Campus conferred 32 associate’s degrees, 2,838 bachelor’s degrees, and 1,532 advanced degrees (including 171 doctorate degrees), as well as 125 undergraduate certificates and 322 graduate certificates. Students may enroll in the College of Fine Arts, Humanities and Social Sciences, the Kennedy College of Sciences, the Francis College of Engineering, the Zuckerberg College of Health Sciences, the Manning School of Business, and the College of Education. The most recent additions to UMass Lowell’s degree offerings are bachelor’s and master’s degrees in Industrial Engineering, bachelor’s degrees in Engineering Physics and Graphic Design, and a doctoral degree in Public Health.

Chan Medical School/Worcester Campus

The UMass Chan Medical School (the “Chan Medical School” or the “Worcester Campus”) enrolled 1,246 FTE medical, nursing and biomedical science students for Fall 2021, in a wide array of master’s or doctoral degree programs. In addition, the Chan Medical School’s educational community included 508 residents and 111 fellows in

residency and fellowship training programs accredited by the Accreditation Council for Graduate Medical Education. The Graduate Medical Education enterprise consists of 23 core residency programs and 37 fellowship programs, all of which are accredited by their respective accreditation bodies.

UMassOnline

In academic year 2021-2022, the University, through the five campuses, offered more than 200 online degrees, certificates and continuing medical education programs, and 4,500 courses online. Beginning in fiscal year 2020, included among the online programs are 118 online degree and certificate programs, including a mix of undergraduate and graduate certificates, bachelor's degrees, master's degrees, and a doctorate within STEM, health care, business and criminal justice. In fiscal year 2022, UMassOnline and the five campuses collaboratively generated tuition revenue of \$179 million and awarded 341,102 course credits.

UMass Global

In March 2019, the University's President announced plans for a new online college that would serve adult learners, citing the need to preserve the University's mission in the face of the demographic decline that is disrupting higher education in the United States. The University's goals for the online initiative were to become a key workforce development partner to Massachusetts employers, increase economic mobility for Massachusetts residents, and generate revenue that would sustain the University over the next several decades, positioning UMass to lead through the coming disruption and emerge stronger. After a lengthy due diligence process that included vetting numerous possible partners, in June 2020, the University announced that it would enter into a strategic partnership with Brandman University ("Brandman"), a private nonprofit institution located in Irvine, California, then a part of the Chapman University System ("Chapman"). Brandman was originally formed in 1958 as a college within Chapman University, and provides online educational services to a range of adult learners. In September 2021, Chapman transferred control of Brandman's Board of Regents to the University, and the University became the sole corporate member of Brandman, now named UMass Global. UMass Global remains a California nonprofit public benefit corporation, accredited by the WASC Senior College and University Commission.

UMass Global maintains a robust and scalable service and technology platform, allowing for the delivery of a wide variety of primarily online certificate and degree programs efficiently and effectively, including employer-funded degree programs and competency-based education (CBE). UMass Global offers over 90 undergraduate, graduate (including two professional doctoral programs), credential, certificate, and non-degree credit programs in the fields of education, arts and sciences, business and professional studies, and nursing. These programs are offered through fully online and hybrid (online and face-to-face) modalities at the UMass Global campus in Irvine, California and at 24 satellite campuses located in California and Washington (including six United States military bases). UMass Global currently offers two associate degrees, 14 bachelor's degrees, 17 master's degrees, and two professional doctorate degrees, as well as 19 graduate and undergraduate certificates, 10 teaching credentials, and six education-related authorizations. In addition, UMass Global offers four direct assessment CBE programs. As of September 1, 2021, UMass Global had 13,944 enrollments (i.e., the number of course enrollments by all students), and provided educational services to students across 45 states.

UNIVERSITY RELATED ORGANIZATIONS

The University FY22 Financial Statements include the University and certain other organizations that have a significant relationship with the University. The University FY22 Financial Statements include the University's blended component units, which are the Authority, the Worcester City Campus Corporation ("WCCC"), a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, the University of Massachusetts Amherst Foundation, Inc. (the "UMass Amherst Foundation"), a tax-exempt organization that was established in 2003, and UMass Global. Through its Board of Directors, the UMass Amherst Foundation leads and supports private fundraising on behalf of UMass Amherst faculty, students and facilities.

The purposes of the Authority are to provide dormitories, dining commons and other buildings and structures for use by the University and other entities associated with the University and to issue bonds to finance such projects. The University created WCCC in 1992 to purchase various assets of Worcester City Hospital, to operate as a real estate holding company, and to foster and promote the growth, progress, and general welfare of the Worcester Campus

and all of its locations. The subsidiaries of WCCC include Worcester Campus Services, Inc. (“WCS”) and U Health Solutions, Inc. (formerly Public Sector Partners, Inc.). WCS has 12 real estate holding company subsidiaries.

The University’s discretely presented component units are the University of Massachusetts Foundation, Inc. (the “Foundation”) and the University of Massachusetts Dartmouth Foundation, Inc. (the “Dartmouth Foundation”). These foundations are tax-exempt organizations related to the University and were established to foster and promote the growth, progress and general welfare of the University and to solicit, receive and administer gifts and donations for such purposes, or in the case of the Dartmouth Foundation, for the purposes of the Dartmouth Campus. The Foundation manages the majority of the University’s endowments, including the endowment of the UMass Amherst Foundation and the Dartmouth Foundation. Separate financial statements are presented for the Foundation and the Dartmouth Foundation.

GOVERNANCE

Board of Trustees

The members and officers of the University Trustees as of June 30, 2022, their original appointment dates and the year of expiration of their respective current terms are set forth below. The term expiration date is typically September 1 of the applicable year; however, Trustees generally continue to serve until a successor Trustee is appointed.

<u>Name and Position; Month and Year Initially Appointed</u>	<u>Current Term Expiration Date</u>
Robert J. Manning, <i>Board of Trustees Chair, Swampscott</i> <i>Appointed August 2015</i> Chairman and Co-CEO, MFS Investment Management	2021*
R. Norman Peters, Esq., <i>Board of Trustees Vice Chair, Paxton</i> <i>Appointed September 2009</i> Partner, Peters & Sowyrda	2019*
Joshua P. Bates, Sandwich <i>Non-Voting Student Member, Appointed April 2021</i> University of Massachusetts, Boston	2022
Barkha Bhandari, Amherst <i>Non-Voting Student Member, Appointed April 2021</i> University of Massachusetts, Amherst	2022
Mary L. Burns, Lowell <i>Appointed December 2016</i> Principal, Splash Media Group Boston, LLC	2026
Zachary S. Dyer, Worcester <i>Non-Voting Student Member, Appointed April 2021</i> University of Massachusetts, Chan Medical School	2022
Robert Epstein, Boston <i>Appointed September 2015</i> President & CEO, Horizon Beverage Group	2025
Derek S. Houle, Bellingham <i>Voting Student Member, Appointed April 2021</i> University of Massachusetts, Lowell	2022
Stephen R. Karam, Fall River <i>Appointed September 2017</i> Principal, Karam Financial Group	2022

* Serves until a successor Trustee is appointed.

Name and Position; Month and Year Initially Appointed	Current Term Expiration Date
Richard M. Kelleher, Duxbury <i>Appointed April 2019</i> Chairman, Pyramid Group	2023
Narcisse M. Kunda, Marlborough <i>Voting Student Member, Appointed April 2021</i> University of Massachusetts, Dartmouth	2022
Robert Lewis, Jr., Boston <i>Appointed June 2020</i> Founder & President, The Base	2022
Michael V. O'Brien, Southborough <i>Appointed December 2016</i> Vice President, WinnCompanies	2021*
Noreen C. Okwara, M.D., Lowell <i>Appointed September 2018</i> Internal Medicine Resident, Brigham & Women's Hospital	2023
Kerri E. Osterhaus-Houle, M.D., Hudson <i>Appointed September 2007</i> Partner, Women's Health of Central Massachusetts, PC	2018*
Imari K. Paris Jeffries, M.Ed., M.A., Boston <i>Appointed December 2016</i> Executive Director, Parenting Journey	2026
James A. Peyser, MALD, Milton <i>Appointed January 2015</i> Secretary of Education, Executive Office of Education Commonwealth of Massachusetts	<i>Serves Ex-Officio</i>
Julie M. Ramos Gagliardi, Somerset <i>Appointed June 2020</i> First Vice President, Corporate Giving & Community Relations, BayCoast Bank	2024
Elizabeth D. Scheibel, South Hadley <i>Appointed November 2016</i> Principal/Consultant, Scheibel Associates	2026
Steven A. Tolman, Brighton <i>Appointed September 2017</i> President, Massachusetts AFL-CIO	2022
Victor Woolridge, Springfield <i>Appointed November 2009</i> Vice President, Barings	2019*
Charles F. Wu, MBA, Newton <i>Appointed December 2016</i> Senior Lecturer, Harvard Business School Founding Partner, BayNorth Capital, LLC	2026

* Serves until a successor Trustee is appointed.

Faculty and Staff

The University had 5,854 faculty members for Fall 2021, including 4,265 full-time faculty. Of the total faculty, 30.6% were tenured, 11.9% were on a tenure track, and the remaining 55.5% were not on a tenure track. The University also had 11,497 staff members for Fall 2021, of which 94.8% were full-time. The University student FTE to faculty FTE ratios, excluding continuing education, ranged from 15:1 to 18:1 across the campuses (excluding the Worcester Campus) for academic year 2021-2022 as shown in the table below.

Student FTE to Faculty FTE Ratios Academic Year 2021-2022

<u>Amherst</u>	<u>Boston</u>	<u>Dartmouth</u>	<u>Lowell</u>
18:1	15:1	15:1	18:1

ACADEMIC PROGRAMS AND ACCREDITATION

The University offers a broad spectrum of academic programs across its campuses, granting Bachelor of Arts degrees in over 60 fields, Bachelor of Science degrees in over 50 fields, and bachelor's degrees in a number of other areas, including Fine Arts and Business Administration. Master of Arts degrees are granted in more than 25 fields, Master of Science degrees are granted in over 45 fields, and a variety of other master's degrees are granted in specialized areas including Education, Teaching, Business Administration and Public Health. In addition, the University grants Doctor of Philosophy degrees in over 50 fields, as well as Doctor of Education, Doctor of Science, Doctor of Engineering, Doctor of Audiology, Doctor of Nursing Practice, Doctor of Physical Therapy, Juris Doctor and Doctor of Medicine degrees. The academic resources of the University are also accessible to part-time students, to local, national and international businesses, and to the general community through the continuing education programs.

Each campus of the University is accredited by the New England Commission of Higher Education ("NECHE"), the major accrediting body for institutions of higher education in New England. The campuses are accredited through the years indicated: Amherst Campus – 2028; Boston Campus – 2025; Dartmouth Campus – 2030; Lowell Campus – 2023 (a comprehensive evaluation visit by NECHE is scheduled for Fall 2023); and Worcester Campus – 2032. The Medical School at the Worcester Campus is a member of the Association of American Medical Colleges and was given full accreditation through 2028 by the Liaison Committee on Medical Education, the major accrediting body for programs leading to the M.D. degree. The Law School is accredited by the American Bar Association through 2030. In addition to the foregoing, individual schools and academic programs are accredited by the appropriate agencies in their particular fields.

The University is also an institutional member of numerous organizations of higher learning and professional societies, including, among others, the Association of American Colleges, the Association of Public and Land-Grant Universities, the American Council on Education, the American Association of Colleges for Teacher Education, the American Association of Colleges of Nursing, the Council of Colleges of Arts and Sciences, and the New England Board of Higher Education.

ENROLLMENT

Total FTE Enrollment

Enrollment Type	Fall				
	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Undergraduate	51,642	52,646	53,095	52,633	50,721
Graduate	<u>12,889</u>	<u>12,664</u>	<u>12,908</u>	<u>13,437</u>	<u>14,064</u>
Total	64,531	65,310	66,003	66,070	64,785

Total Headcount Enrollment

Enrollment Type	Fall				
	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
In-state undergraduate	46,924	47,200	47,754	46,987	45,428
Out-of-state undergraduate	9,905	9,869	9,610	9,958	9,790
In-state graduate	9,351	9,344	9,461	9,935	9,909
Out-of-state graduate	<u>8,392</u>	<u>8,292</u>	<u>8,240</u>	<u>8,551</u>	<u>9,427</u>
Total	74,572	74,705	75,065	75,431	74,554

Amherst Campus

Enrollment Type	Fall				
	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
In-state undergraduate	17,846	17,879	18,551	18,627	18,393
Out-of-state undergraduate	5,542	5,636	5,658	5,606	5,838
In-state graduate	2,423	2,515	2,605	2,798	2,845
Out-of-state graduate	<u>4,529</u>	<u>4,563</u>	<u>4,536</u>	<u>4,611</u>	<u>4,969</u>
Total	30,340	30,593	31,350	31,642	32,045

Boston Campus

Enrollment Type	Fall				
	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
In-state undergraduate	10,720	10,871	10,851	11,147	10,738
Out-of-state undergraduate	1,945	1,833	1,744	1,723	1,531
In-state graduate	2,415	2,230	2,228	2,320	2,135
Out-of-state graduate	<u>1,335</u>	<u>1,230</u>	<u>1,166</u>	<u>1,069</u>	<u>1,233</u>
Total	16,415	16,164	15,989	16,259	15,637

Dartmouth Campus

Enrollment Type	Fall				
	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
In-state undergraduate	6,142	6,107	5,673	5,350	5,179
Out-of-state undergraduate	621	734	732	677	654
In-state graduate	1,018	1,064	1,104	1,149	1,123
Out-of-state graduate	<u>625</u>	<u>608</u>	<u>645</u>	<u>693</u>	<u>761</u>
Total	8,406	8,513	8,154	7,869	7,717

Lowell Campus

Enrollment Type	Fall				
	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
In-state undergraduate	12,216	12,343	12,679	11,863	11,118
Out-of-state undergraduate	1,797	1,666	1,476	1,952	1,767
In-state graduate	2,714	2,721	2,693	2,800	2,964
Out-of-state graduate	<u>1,589</u>	<u>1,520</u>	<u>1,490</u>	<u>1,754</u>	<u>2,014</u>
Total	18,316	18,250	18,338	18,369	17,863

Chan Medical School/Worcester Campus

Enrollment Type	Fall				
	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Medical School	565	617	643	670	663
Other	<u>530</u>	<u>568</u>	<u>591</u>	<u>622</u>	<u>629</u>
Total†	1,095	1,185	1,234	1,292	1,292

† Does not include the head count of registrants in the various continuing medical education programs offered at the Worcester Campus.

First Year Applicants, Acceptances and Matriculants, Fall 2017-2021

	Fall				
	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Applications Received	71,495	74,333	78,615	77,299	80,611
Number of Acceptances	46,334	49,584	52,895	53,787	58,619
Percent of Applicants Accepted	65%	67%	67%	70%	73%
Number of Matriculants	9,925	10,832	11,530	10,577	10,226
Percent Matriculated of Those Accepted	21%	22%	22%	20%	17%

Transfer Student Applicants, Acceptances and Matriculants, Fall 2017-2021

	Fall				
	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Applications Received	9,980	10,900	10,302	9,823	9,846
Number of Acceptances	8,001	7,815	7,229	6,886	6,816
Percent of Applicants Accepted	80%	72%	70%	70%	69%
Number of Matriculants	4,777	4,538	4,199	3,917	3,777
Percent Matriculated of Those Accepted	60%	58%	58%	57%	55%

TUITION AND FEES

Tuition and Fees

The following tables show tuition and mandatory fees for full-time graduate and undergraduate students in effect at the Amherst, Boston, Dartmouth, Lowell and Worcester Campuses for the past five fiscal years.

Amherst Campus

	Fiscal Year				
	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
TUITION					
Undergraduate (MA resident)	\$15,030	\$15,406	\$15,791	\$15,791	\$15,791
Undergraduate (non-resident)	33,096	34,089	35,112	35,779	36,316
Graduate (MA resident)	13,930	14,348	14,778	14,778	14,778
Graduate (non-resident)	30,533	31,449	32,392	33,040	33,536
OTHER MANDATORY FEES					
Undergraduate (MA resident)	\$381	\$481	\$598	\$648	\$648
Undergraduate (non-resident)	381	481	598	648	648
Graduate (MA resident)	2,157	2,176	2,195	2,221	2,237
Graduate (non-resident)	2,157	2,176	2,195	2,221	2,237
TOTAL TUITION & MANDATORY FEES					
Undergraduate (MA resident)	\$15,411	\$15,887	\$16,389	\$16,439	\$16,439
Undergraduate (non-resident)	33,477	34,570	35,710	36,427	36,964
Graduate (MA resident)	16,087	16,524	16,973	16,999	17,015
Graduate (non-resident)	32,690	33,625	34,587	35,261	35,773
DORMITORY RESIDENTS ONLY					
Average Room & Board	\$12,258	\$12,626	\$13,004	\$13,329	\$14,217
TUITION, MANDATORY FEES, ROOM & BOARD					
Undergraduate (MA resident)	\$27,669	\$28,513	\$29,393	\$29,768	\$30,656
Undergraduate (non-resident)	45,735	47,196	48,714	49,756	51,181
Graduate (MA resident)	28,345	29,150	29,977	30,328	31,232
Graduate (non-resident)	44,948	46,251	47,591	48,590	49,990

Boston Campus

	Fiscal Year				
	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
TUITION					
Undergraduate (MA resident)	\$13,503	\$13,841	\$14,187	\$14,187	\$14,187
Undergraduate (non-resident)	32,660	33,640	34,649	34,649	34,649
Graduate (MA resident)	17,375	17,896	18,433	18,433	18,433
Graduate (non-resident)	33,915	34,932	35,980	35,980	35,980
OTHER MANDATORY FEES					
Undergraduate (MA resident)	\$325	\$326	\$466	\$510	\$530
Undergraduate (non-resident)	325	326	466	510	530
Graduate (MA resident)	355	355	455	505	505
Graduate (non-resident)	355	355	455	505	505
TOTAL TUITION & MANDATORY FEES					
Undergraduate (MA resident)	\$13,828	\$14,167	\$14,653	\$14,697	\$14,717
Undergraduate (non-resident)	32,985	33,966	35,115	35,159	35,179
Graduate (MA resident)	17,730	18,251	18,888	18,938	18,938
Graduate (non-resident)	34,270	35,287	36,435	36,485	36,485
DORMITORY RESIDENTS ONLY¹					
Average Room & Board (Undergraduate only)	N/A	\$14,858	\$15,270	\$15,741	\$16,355
TUITION, MANDATORY FEES, ROOM & BOARD¹					
Undergraduate (MA resident)	\$13,828	\$29,025	\$29,923	\$30,438	\$31,072
Undergraduate (non-resident)	32,985	48,824	50,385	50,900	51,534
Graduate (MA resident)	17,730	18,251	18,888	18,938	18,938
Graduate (non-resident)	34,270	35,287	36,435	36,485	36,485

¹ The Boston Campus began providing on-campus student housing in fiscal year 2018. Room rates are recommended by an operating committee, composed of representatives of the nonprofit entity that owns the facility, the management company that operates the facility, the University and the Authority, and approved by the nonprofit owner.

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Dartmouth Campus

	Fiscal Year				
	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
TUITION					
Undergraduate (MA resident)	\$13,166	\$13,496	\$13,833	\$13,833	\$13,833
Undergraduate (non-resident)	27,880	28,716	29,578	29,578	29,578
Graduate (MA resident)	15,449	15,912	16,390	16,390	16,390
Graduate (non-resident)	27,880	28,716	29,578	29,578	29,578
Graduate Law School (MA resident)	27,016	27,826	28,661	28,661	28,661
Graduate Law School (non-resident)	35,413	36,475	37,569	37,569	37,569
OTHER MANDATORY FEES					
Undergraduate (MA resident)	\$405	\$425	\$525	\$575	\$575
Undergraduate (non-resident)	405	425	525	575	575
Graduate (MA resident)	405	425	525	575	575
Graduate (non-resident)	405	425	525	575	575
Graduate Law School (MA resident)	405	425	525	575	575
Graduate Law School (non-resident)	405	425	525	575	575
TOTAL TUITION & MANDATORY FEES					
Undergraduate (MA resident)	\$13,571	\$13,921	\$14,358	\$14,408	\$14,408
Undergraduate (non-resident)	28,285	29,141	30,103	30,153	30,153
Graduate (MA resident)	15,854	16,337	16,915	16,965	16,965
Graduate (non-resident)	28,285	29,141	30,103	30,153	30,153
Graduate Law School (MA resident)	27,421	28,251	29,186	29,236	29,236
Graduate Law School (non-resident)	35,818	36,900	38,094	38,144	38,144
DORMITORY RESIDENTS ONLY					
Average Room & Board	\$12,753	\$13,299	\$13,870	\$15,327	\$15,825
TUITION, MANDATORY FEES, ROOM & BOARD					
Undergraduate (MA resident)	\$26,324	\$27,220	\$28,228	\$29,735	\$30,233
Undergraduate (non-resident)	41,038	42,440	43,973	45,480	45,978
Graduate (MA resident)	28,607	29,636	30,785	32,291	32,790
Graduate (non-resident)	41,038	42,440	43,973	45,480	45,978
Graduate Law School (MA resident)	40,174	41,550	43,056	44,563	45,061
Graduate Law School (non-resident)	48,571	50,199	51,964	53,471	53,969

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Lowell Campus

	Fiscal Year				
	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
TUITION					
Undergraduate (MA resident)	\$14,350	\$14,710	\$15,078	\$15,078	\$15,078
Undergraduate (non-resident)	31,415	32,357	33,004	33,004	33,004
Graduate (MA resident) ¹	14,590	14,590	14,590	14,590	14,590
Graduate (non-resident) ¹	26,370	26,370	26,370	26,370	26,370
OTHER MANDATORY FEES					
Undergraduate (MA resident)	\$450	\$470	\$570	\$620	\$620
Undergraduate (non-resident)	450	470	570	620	620
Graduate (MA resident) ²	450	470	570	620	620
Graduate (non-resident) ²	450	470	570	620	620
TOTAL TUITION & MANDATORY FEES					
Undergraduate (MA resident)	\$14,800	\$15,180	\$15,648	\$15,698	\$15,698
Undergraduate (non-resident)	31,865	32,827	33,574	33,624	33,624
Graduate (MA resident)	15,040	15,060	15,160	15,210	15,210
Graduate (non-resident)	26,820	26,840	26,940	26,990	26,990
DORMITORY RESIDENTS ONLY					
Average Room & Board	\$12,495	\$12,748	\$13,060	\$13,380	\$13,570
TUITION, MANDATORY FEES, ROOM & BOARD					
Undergraduate (MA resident)	\$27,295	\$27,928	\$28,708	\$29,078	\$29,268
Undergraduate (non-resident)	44,360	45,576	46,634	47,004	47,194
Graduate (MA resident)	27,535	27,808	28,220	28,590	28,780
Graduate (non-resident)	39,315	39,588	40,000	40,370	40,560

¹ Graduate tuition charges at UMass Lowell are on a 9-credit load basis.

² Graduate fee charges at UMass Lowell are on a 9-credit load basis.

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Chan Medical School/Worcester Campus

	Fiscal Year				
	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
TUITION					
Medical School (resident - class of '18 and prior)	\$28,426	-	-	-	
Medical School (resident - class of '19 and beyond)	34,600	\$35,500	\$36,030	\$36,570	\$37,120
Medical School (non-resident)	59,400	61,050	61,960	62,889	63,832
Graduate School of Nursing (MA resident)	13,500	13,870	14,064	14,275	14,490
Graduate School of Biomedical Sciences (MA resident)	13,930	14,300	14,506	14,724	14,946
Graduate School of Nursing (non-resident)	18,450	18,960	19,230	19,518	19,812
Graduate School of Biomedical Sciences (non-resident)	30,533	31,400	31,862	32,340	32,826
OTHER MANDATORY FEES					
Medical School (resident – class of '18 and prior)	\$2,078	-	-	-	-
Medical School (resident - class of '19 and beyond)	2,078	\$2,276	\$2,316	\$2,091	\$2,130
Medical School (non-resident)	2,078	2,276	2,316	\$2,091	2,130
Graduate School of Nursing (resident and non-resident)	1,278	1,356	1,390	1,390	1,410
Graduate School of Biomedical Sciences (resident and non-resident)	953	1,031	1,056	1,056	1,072
TOTAL TUITION & MANDATORY FEES					
Medical School (resident – class of '18 and prior)	\$30,504	-	-	-	
Medical School (resident - class of '19 and beyond)	36,678	\$37,776	\$38,346	\$38,661	\$39,250
Medical School (non-resident)	61,478	63,326	64,276	64,980	65,962
Graduate School of Nursing (MA resident)	14,778	15,226	15,454	15,665	15,900
Graduate School of Biomedical Sciences (MA resident)	14,883	15,331	15,562	15,780	16,018
Graduate School of Nursing (non-resident)	19,728	20,316	20,620	20,908	21,222
Graduate School of Biomedical Sciences (non-resident)	31,486	32,431	32,918	33,396	33,898

Student Financial Aid

Eligible University students receive financial aid packages primarily awarded from the federal government, with varying combinations of grants and scholarships, loans and part-time employment. Grants and scholarships represent financial aid that does not require repayment by the student. The primary federal grants and scholarships awarded to eligible University students in fiscal year 2022 were federal Pell Grants of approximately \$78.5 million and federal Supplemental Education Opportunity Grants of approximately \$3.6 million. New loans processed by the University for eligible students under federal student loan programs and federally guaranteed loan programs totaled approximately \$313.0 million for fiscal year 2022. Eligible University students also received approximately \$5.4 million through the federal Work-Study Program for fiscal year 2022.

UNIVERSITY REVENUES AND BUDGETING

In fiscal year 2022, Commonwealth appropriations provided approximately 22.5% of all operating and non-operating revenues of the University (not including University Related Organizations), tuition and fees accounted for approximately 25.8% of all operating and non-operating revenues, and other non-appropriated funds (including grants and contracts, auxiliary enterprises and other operating revenues) provided the remaining 51.7%.

Appropriated Funds

The following tables detail the University's appropriations as included in the Commonwealth's budget for fiscal years 2018 through 2022 and the calculation of total Commonwealth support reported in the financial statements for fiscal years 2018 through 2022. **Table A** details the University's base appropriation as provided for in the Commonwealth's annual budget for fiscal years 2018 through 2022, as more fully discussed below. **Table B** details the total Commonwealth support received by the University from all sources for fiscal years 2018 through 2022, as reflected in the University's annual audited financial statements.

TABLE A
Commonwealth Appropriations by Fiscal Year
(\$ millions)

	Fiscal Year				
	2018	2019	2020	2021	2022
Commonwealth Appropriations	<u>Budget</u>	<u>Budget</u>	<u>Budget</u>	<u>Budget</u>	<u>Budget</u>
UMass Base Appropriation	\$513.5	\$519.2	\$558.0	\$560.5	\$571.2
Collective Bargaining Costs	<u>0</u>	<u>22.9*</u>	<u>2.4*</u>	<u>0</u>	<u>3.4</u>
Total State Appropriation	<u>\$513.5</u>	<u>\$542.1</u>	<u>\$560.5</u>	<u>\$560.5</u>	<u>\$574.6</u>

* The Commonwealth transferred certain funds to the University's base appropriation in fiscal years 2019 and 2022 to support collective bargaining, and in fiscal year 2020 to support collective bargaining and the implementation of the Paid Family Medical Leave Act.

TABLE B
Total Commonwealth Support
(\$ thousands)

Fiscal Year	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Gross Commonwealth Appropriations	\$528,868	\$542,095	\$567,612	\$569,081	\$618,245
Plus: Fringe Benefits	223,026	238,126	242,906	276,400	261,758
Net Commonwealth Appropriations	<u>\$751,894</u>	<u>\$780,221</u>	<u>\$810,518</u>	<u>\$845,481</u>	<u>\$880,003</u>

Management of Non-Appropriated Funds

All non-appropriated funds are managed and grouped for budgetary purposes into several trust funds. Non-appropriated funds are funds derived by the University from revenue sources other than Commonwealth appropriations and include, for example, tuition, student fees, gifts, grants, contracts and sponsored programs. The University Trustees establish and collect certain student fees and charges, including charges for room and board. Non-appropriated funds are retained by the University. Approximately 77.5% of the University's operating and non-operating revenues for fiscal year 2022 were non-appropriated.

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Summary of Operations[†]

University Combined and Condensed Statement of Net Position

As of June 30, 2022 (\$ thousands)

ASSETS	
Current Assets	\$1,347,213
Noncurrent Assets	
Capital Assets, Net	5,527,062
All Other Noncurrent Assets	1,975,000
Total Assets	<u>\$8,849,275</u>
DEFERRED OUTFLOWS OF RESOURCES	\$433,998
LIABILITIES	
Current Liabilities	\$783,441
Noncurrent Liabilities	4,666,224
Total Liabilities	<u>\$5,449,665</u>
DEFERRED INFLOWS OF RESOURCES	\$1,085,656
NET POSITION	
Net Investment in Capital Assets	\$2,281,471
Restricted	
Nonexpendable	22,515
Expendable	262,669
Unrestricted	181,297
Total Net Position	<u>\$2,747,952</u>

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[†] Derived from the University FY22 Financial Statements.

University Combined Statement of Revenues, Expenses and Changes in Net Position

For the Fiscal Year Ended June 30 (\$ thousands)

REVENUES	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>¹	<u>2022</u>
<i>Operating Revenues</i>					
Tuition and Fees ²	\$874,826	\$894,904	\$917,876	\$930,613	\$1,007,124
Grants and Contracts	560,990	593,086	581,850	667,149	719,479
Sales & Service, Educational Activities	30,591	34,984	31,248	30,253	40,907
Auxiliary Enterprises	416,733	441,795	378,314	163,821	434,129
Other Operating Revenues					
Sales & Service, Independent Operations	68,497	59,893	62,829	50,961	66,929
Sales & Service, Public Service Activities	381,018	291,085	337,709	334,567	321,954
Other	136,159	137,607	116,204	125,939	130,771
<i>Total Operating Revenues</i>	<u>\$2,468,814</u>	<u>\$2,453,354</u>	<u>\$2,426,030</u>	<u>\$2,303,303</u>	<u>\$2,721,293</u>
EXPENSES					
	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
<i>Operating Expenses</i>					
Educational and General					
Instruction	\$876,235	\$912,415	\$960,548	\$934,708	\$930,362
Research	471,135	490,887	485,759	550,593	551,367
Public Service	78,238	86,251	84,248	88,770	71,649
Academic Support	187,495	186,502	200,928	199,456	194,153
Student Services	156,934	160,751	157,842	141,107	211,088
Institutional Support	271,535	274,326	303,100	311,629	315,810
Operation and Maintenance of Capital Assets	255,825	248,581	241,880	221,750	242,749
Depreciation and Amortization	261,417	276,638	288,667	318,828	330,715
Scholarships and Fellowships	50,410	49,511	65,469	85,500	121,334
Auxiliary Enterprises	313,741	340,346	336,497	213,499	320,535
Other Expenditures					
Independent Operations	52,211	48,282	56,256	53,485	58,582
Public Service Activities	325,216	226,821	256,248	260,697	253,420
<i>Total Operating Expenses</i> ³	<u>\$3,300,392</u>	<u>3,301,311</u>	<u>3,437,442</u>	<u>3,380,022</u>	<u>3,601,764</u>
<i>Operating Loss</i>	<u>(\$831,578)</u>	<u>(\$847,957)</u>	<u>(\$1,011,412)</u>	<u>(\$1,076,719)</u>	<u>(\$880,471)</u>

¹ As restated due to adoption of GASB State No. 87, Leases. See, "THE UNIVERSITY - Indebtedness of the University – Capitalized Leases".

² Net of scholarship allowances of \$369,902,000 at June 30, 2022, \$345,128,000 at June 30, 2021, \$343,031,000 at June 30, 2020, \$328,845,000 at June 30, 2019, and \$310,106,000 at June 30, 2018.

³ Included in total operating expenses are impacts of GASB Pronouncements 68 and 75, which require adjustments for large employee postemployment benefits (health and pension). Total expenses related to these pronouncements totaled (\$107,520,000), \$92,330,000, \$122,012,000, \$60,610,000, and \$78,732,000 in fiscal years 2022, 2021, 2020, 2019, and 2018, respectively.

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NONOPERATING REVENUES/(EXPENSES)	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021**</u>	<u>2022</u>
Federal Appropriations	\$6,688	\$7,004	\$6,774	\$5,953	\$5,588
State Appropriations	751,894	780,221	810,518	845,481	880,003
Gifts	39,022	43,705	41,996	41,262	67,948
Investment Income	37,622	48,943	32,762	58,383	24,292
Unrealized Gain (Loss) on Investments	5,558	18,082	(3,414)	(22,977)	(48,456)
Endowment Income Distributed for Operations	26,742	27,741	28,113	31,965	34,944
Interest on Indebtedness	(115,851)	(116,217)	(109,186)	(109,144)	(117,244)
Non-operating Federal Grants	81,590	84,454	115,601	173,592	221,628
Other Non-operating Income	1,118	1,576	296	5,779	(667)
<i>Net Non-operating Revenues</i>	<u>\$834,383</u>	<u>\$895,509</u>	<u>\$923,460</u>	<u>\$1,030,294</u>	<u>\$1,068,036</u>
<i>Income/(Loss) Before Other Revenues, Expenses, Gains and Losses</i>	<u>\$2,805</u>	<u>\$47,552</u>	<u>(\$87,952)</u>	<u>(\$46,425)</u>	<u>\$187,565</u>
Capital Appropriations	\$67,437	\$25,500	\$51,525	\$62,592	\$87,062
Capital Grants, Contracts and Gifts	8,732	13,165	7,516	8,528	8,846
Endowment Return, Net of Amount Used for Operations	8,166	13,467	(2,917)	148,514	(148,089)
Disposal of Plant Facilities	(6,695)	(11,381)			
Other Deductions	(2,859)	(4,805)	(7,787)	(16,869)	25,406
<i>Total Other Revenues, Expenses, Gains and Losses</i>	<u>\$74,781</u>	<u>\$35,946</u>	<u>\$48,337</u>	<u>\$202,765</u>	<u>(\$26,775)</u>
<i>Total Increase in Net Position</i>	<u>\$77,586</u>	<u>\$83,498</u>	<u>(\$39,615)</u>	<u>\$156,340</u>	<u>\$160,790</u>
NET POSITION					
Net Position at Beginning of Year	\$3,054,280	\$2,388,884	\$2,472,382	\$2,432,767	\$2,587,162
Cumulative effect of adoption of GASB 75	(742,982)				
Cumulative effect of adoption of GASB 87 ¹				(1,945)	
Net Position at Beginning of Year, Adjusted	<u>\$2,311,298</u>	<u>\$2,388,884</u>	<u>\$2,472,382</u>	<u>\$2,430,822</u>	<u>\$2,587,162</u>
<i>Net Position at End of Year</i>	<u>\$2,388,884</u>	<u>\$2,472,382</u>	<u>\$2,432,767</u>	<u>\$2,587,162</u>	<u>\$2,747,952</u>

¹ As restated due to adoption of GASB State No. 87, Leases. See, "THE UNIVERSITY - Indebtedness of the University – Capitalized Leases".

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Endowment and Fundraising

The following table indicates the total amount of University endowment assets at June 30 of the years indicated.

University Endowment Assets*				
(\$ thousands)				
<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
\$842,858	\$948,195	\$1,013,070	\$1,204,035	\$1,101,885

* Approximately 66% of the endowment is restricted by donors.

CURRENT AND FUTURE CAPITAL PLANS

In September 2021, the University Trustees reviewed and approved a five-year capital plan for fiscal years 2022 through 2026 (the “FY22-26 Capital Plan”), including projects already in progress with prior approval of the University Trustees and the University President.

The following table summarizes the FY22-26 Capital Plan at June 30, 2022, including both projects that the Board voted to approve and projects approved by the University’s President.

<u>University Campus</u>	<u>Approval/ Vote 1</u>	<u>Approval/ Vote 2</u>	<u>Vote 3</u>	<u>Total Approved</u>
Amherst	\$345,250,000	\$151,223,376	\$283,800,000	\$780,273,376
Boston	54,905,456	155,426,060	0	210,331,516
Dartmouth	73,000,000	58,500,000	0	113,500,000
Lowell	142,150,000	69,770,756	0	211,920,756
Chan Medical School/Worcester	<u>39,340,000</u>	<u>537,700,000</u>	<u>0</u>	<u>577,040,000</u>
Total	\$654,645,456	\$972,620,192	\$283,800,000	\$1,911,065,648

Source: Quarterly Approved Project List update to the FY22-26 Capital Plan as of June 30, 2022.

INDEBTEDNESS OF THE UNIVERSITY

As of June 30, 2022, the Authority had bonds outstanding (exclusive of commercial paper) in the aggregate principal amount of \$3.3 billion for which the University is contractually obligated to provide the payment of debt service or act as the Authority’s agent to collect rates, rents, fees and other charges. All such bonds bear a fixed rate of interest. Such bonds, like the University’s Massachusetts Development Finance Agency (“MDFA”) bonds described below, are not subject to acceleration. See, “Annual Debt Service on Authority and MDFA Bonds” below for the annual debt service payments on such bonds. As of June 30, 2022, the Authority had \$20.0 million in commercial paper notes outstanding. As of June 30, 2022, MDFA had bonds outstanding in the aggregate principal amount of approximately \$20.9 million, for which the University is contractually obligated to pay debt service (the “MDFA Bonds”).

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Annual Debt Service on Authority and MDFA Bonds

The table below sets forth the principal and interest due on bonds issued by the Authority (the “UMBA Bonds”), including the Covered Bonds, and the MDFA Bonds for each fiscal year shown.

Annual Debt Service on Authority and MDFA Bonds

Fiscal Year Ending June 30	<u>UMBA Bonds</u>	<u>MDFA Bonds</u>	<u>Total</u>
2022	\$223,708,641	\$ 505,078	\$224,213,719
2023	251,632,023	621,685	252,253,707
2024	257,927,033	618,330	258,545,363
2025	251,083,422	712,650	251,796,073
2026	242,143,436	924,695	243,068,131
2027	240,345,537	798,991	241,144,527
2028	239,821,689	700,000	240,521,688
2029	238,734,960	700,000	239,434,960
2030	235,322,089	700,000	236,022,089
2031	229,784,675	20,350,000	250,134,675
2032	219,877,029	-	219,877,029
2033	212,092,205	-	212,092,205
2034	207,153,088	-	207,153,088
2035	209,781,468	-	209,781,468
2036	207,845,609	-	207,845,609
2037	206,935,623	-	206,935,623
2038	199,267,658	-	199,267,658
2039	194,599,955	-	194,599,955
2040	173,649,135	-	173,649,135
2041	172,414,659	-	172,414,659
2042	139,316,844	-	139,316,844
2043	139,496,870	-	139,496,870
2044	134,115,611	-	134,115,611
2045	109,253,624	-	109,253,624
2046	75,737,267	-	75,737,267
2047	61,040,047	-	61,040,047
2048	61,038,593	-	61,038,593
2049	48,856,693	-	48,856,693
2050	48,853,215	-	48,853,215
2051	48,861,664	-	48,861,664
2052	24,266,500	-	24,266,500
2053	24,261,750	-	24,261,750

[Remainder of this page intentionally left blank.]

Spendable Cash and Investments

The following table sets forth the amount of spendable cash and investments in fiscal year 2022. Spendable cash and investments reflect the available funds that can be used by the University to pay debt service and related costs. As noted above, neither the UMBA Bonds nor the MDFA Bonds are subject to acceleration upon a default.

Spendable Cash and Investments June 30, 2022 (\$ in thousands)

Spendable Cash and Investments* \$2,354,542

* The amount shown above in the table is the sum of University cash and investments less debt service reserve funds, plus Foundation cash and investments, plus pledges receivable reported in permanently restricted net assets, less University permanently restricted net assets, less Foundation permanently restricted net assets. Pledges receivable are not included in spendable cash and investments.

Additional Indebtedness

In November 2020, legislation was enacted to permit the University to borrow for its working capital needs, subject to the conditions that any amount borrowed for working capital is required to be repaid within 365 days and the principal amount outstanding cannot exceed 8% of the total approved operating budget for the fiscal year in which the borrowing occurs. As of June 30, 2022, the University was party to an agreement with Bank of America, N.A. (the “Lender”) providing the University a revolving line of credit in the principal amount of \$150 million. The line of credit expires in May 2023. As of June 30, 2022, there was no balance outstanding under the line of credit. Under the line of credit agreement, the Lender has the right to accelerate amounts outstanding under the line of credit upon the occurrence of an event of default.

In connection with the transaction under which the Board of Regents of the former Brandman University, now named UMass Global, was transferred to the University, UMass Global issued notes to Chapman University in an aggregate principal amount of \$154.1 million, which have a final maturity in September, 2031. The University has agreed to make any payments on such notes that UMass Global fails to make when due. Based on current UMass Global revenue projections, the University does not expect that any such payments will need to be made. See, “THE UNIVERSITY – University Campuses – UMass Global”.

Capitalized Leases

The University adopted GASB State No. 87, Leases (“GASB 87”), beginning in fiscal year 2022, and restated its fiscal year 2021 financial statements to conform to the new accounting standard. GASB 87 is the new lease accounting standard for U.S. government entities. GASB 87 requires organizations to record most leases on the balance sheet. GASB 87 replaces the former operating and capital lease categories with a single model for lease accounting based on a definition of leases as contracts that convey control of the right to use a non-financial asset. The new rules require lessees to recognize a lease liability and an intangible asset while lessors are required to recognize lease receivables and a deferred inflow of resources on their financial statements. Accordingly, the University no longer reports on capitalized leases. See, “THE UNIVERSITY - Summary of Operations – University Combined Statement of Revenues, Expenses and Changes in Net Position”.

INSURANCE

The University, as an agency of the Commonwealth, is self-insured for property loss exposure, subject to appropriation from the Legislature. However, properties owned by the Authority are insured by the Authority. In addition, certain properties owned by other University Related Organizations and leased to the University are insured by the related organization. The University’s liability for damages to third parties as a result of negligence by University employees is limited under Chapter 258 of the General Laws. The University maintains certain liability insurance policies, including Commercial General Liability, leased Automotive Liability, Directors and Officers and

Comprehensive Crime policies. Employees of the University are covered for Worker's Compensation protection under Chapter 152 of the General Laws.

TECHNOLOGICAL INITIATIVES

The University continues to enhance and ensure its enterprise platforms and environments are secure from external threats. In 2022, the University implemented an enterprise resource planning (ERP) data security and compliance environment which helps secure identity and data within the managed Human Resources, Finance and Student Information System platforms. The University also has enhanced its Student Information System to allow for self-service Inclusive Identity access for all of its students, which promotes a more inclusive learning environment and helps ensure continued student success. Also in 2022, the University began planning to upgrade and move the University's data-center to the Amherst Campus from the University's facilities in Shrewsbury, Massachusetts.

LITIGATION

The University is a defendant in various lawsuits; however, University management is of the opinion that the ultimate outcome of any such litigation, if decided adversely to the University, would not have a material effect on the financial position or financial results of the University.

Without limiting the foregoing, the University notes that a putative class action lawsuit was filed against the University in May 2020 in the Commonwealth's Suffolk Superior Court (*Spencer Holmes, et al. v. University of Massachusetts through its Board of Trustees, et al.*, Case No. 2084-cv-01025), claiming breach of contract and unjust enrichment, and seeking refunds of tuition and fees based on campus closings and the switch to online instruction in the Spring 2020 semester in response to the COVID-19 pandemic and the Commonwealth's orders regarding the same. The University's motion to dismiss the litigation was denied, the University's motion for summary judgment was partially granted and partially denied, and the case is now proceeding through discovery in advance of the class certification motion plaintiffs have been ordered to file in September 2023. At this time, the University cannot predict the outcome of the litigation or the potential amount of any damages the University may be required to pay if the matter is concluded adversely to the University.

EMPLOYEE RELATIONS

For fiscal year 2022, the University employed 16,424 full and part-time faculty, professional and clerical and maintenance support staff, of which 10,127 were covered by collective bargaining units (not including post-doctoral employees, certain contract employees, graduate employees and undergraduate resident assistants). Of those covered, 4,101 were faculty, 3,484 were professional staff, 2,385 were clerical and maintenance support staff, and 154 were police officers. In total, the University currently has approximately 41 collective bargaining units (including two post-doctoral employee units, three graduate employee units and one undergraduate resident assistants unit). The majority of the bargaining agreements will expire on June 30, 2023. The University will begin negotiations in the next few months with the respective collective bargaining units regarding new contract terms. Employees covered by University collective bargaining units cannot strike under Massachusetts law.

DATE: March 20, 2023

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