The first building constructed completely under the auspices of the UCONN 2000 program, the 199,000-square-foot chemistry building has won prizes for its architects and praise from students and faculty alike.
UCONN 2000

REBUILDING, RENEWING AND ENHANCING THE UNIVERSITY OF CONNECTICUT

APRIL 2007

The Twenty-Fourth in a series of reports to Governor M. Jodi Rell and the Connecticut General Assembly

UNIVERSITY OF CONNECTICUT
UCONN 2000: THE UPDATE
This is the twenty-fourth in a series of semi-annual reports to the Governor and the General Assembly pursuant to the provisions of Sections 10a-109 through 10a-109y of the Connecticut General Statutes, originally An Act to Enhance the Infrastructure of the University of Connecticut, now known as UCONN 2000. These reports have been issued each October and April since passage of UCONN 2000 on June 7, 1995. The law also requires a four-year progress report, which was filed on January 15, 1999, as well as two five-year performance reviews; the first was submitted January 15, 2006 and the second is due January 15, 2011.

UCONN 2000: PROGRAM IMPROVEMENT
During the past year the requirements concerning UCONN 2000 contained in Public Act No. 06-134 have been or are currently being implemented by the Board of Trustees and University management. Specifically, the seven member Construction Management Oversight Committee comprised of four members appointed by the Governor and legislative leadership and three members from the Board of Trustees appointed by the Chairman of the Board of Trustees has been organized and is in place. The committee is meeting on a regular basis.

The University has established the Office of Construction Assurance and the Director has been recruited, hired and engaged in daily oversight duties. The Director reports to the Construction Management Oversight Committee and to the President. The Director will conduct reviews of individual project performance and the biennial construction performance review of the UCONN 2000 Program in accordance with legislative requirements.

As required by P.A. 06-134, the University engaged UHY, LLC to audit UCONN 2000 payments for FY 2004 and 2005. The audit assignment is 85% complete with a target completion date and report due Summer 2007.

In October 2006 the University President and the Commissioner of Public Safety entered into a Memorandum of Understanding concerning fire prevention and State Building Code compliance. A complement of ten building inspectors and fire marshals are in place.

The University submitted reports to the Higher Education and Employment Advancement Committee of the General Assembly regarding: (1) existing condition inspections of University buildings, identifying deferred maintenance needs and their approximate costs, and an accounting of all deferred maintenance expenditures made prior to the effective date of Public Act No. 06-134; and (2) the status of code inspections for projects that were undertaken in certain non-threshold buildings and completed prior to December 1, 2006. For those facilities for which the inspections were completed, the report included information about any code violations identified, the initial schedule to address the violations, the estimated costs and proposed funding sources. As review and re-inspection activities proceed, the University is actively pursuing recovery of costs for correcting code discrepancies, or where appropriate, that corrective work be performed by the contractor.
MASTER PLANNING, DESIGN AND MANAGEMENT

The update of the University's 1998 Master Plan is complete. In view of the extensive physical changes on all the campuses resulting from the UCONN 2000 investment and the 21st Century UConn initiative, it was necessary to update the plan as part of the University's effort to prioritize and manage its capital resources most effectively. The Master Plan informs and adjusts the planning baseline data to reflect the current physical plant, assesses current and projected space needs relative to available facilities, assesses the overall parking and transportation system including its financial and operational aspects, assesses student access, and refines the campus' physical composition to advance improvements already in place. The planning effort includes activities on the West Hartford, Torrington and Avery Point campuses. Additionally, a plan has been developed for athletic facilities. The consultant for the Master Plan revision has been Smith Group/JJR of Ann Arbor, Michigan. It should be noted that, while the Master Plan provides an important planning template, it is by its nature a living document that will be modified throughout the project planning, design and construction process as new information is available to inform the University's planning effort. The Storrs Campus Master Plan Update – January 2006 was approved by the Board of Trustees on April 11, 2006. The Health Center also has a Master Plan, finalized in 2003. An update to the Health Center’s Master Plan is currently underway.

A new fixed asset management information system, titled Facilities Asset Management Information System (FAMIS), has been implemented and is on-line. This system will provide space management, work order management and construction project management, budget and cost data that will be integrated into the University's Financial Reporting System. Among other capabilities will be the ability to better forecast cost into the future, a component that is lacking in the current information system.

The Board of Trustees, at its June 20, 2006 meeting, approved the FY 2007 Capital Budget totaling $89 million for system-wide capital improvements as shown in Exhibit A. This amount reflects $65.5 million for Storrs and Regional Campuses and $23.5 million for the University of Connecticut Health Center. The following is a brief description of the named projects included in the FY 2007 Capital Budget. The budget can be found attached as Exhibit A of this report.

Storrs and Regional Campuses – Project Planning and Design

Social Sciences and Humanities Building (SSHB)
This is a major classroom project that will be a replacement for the existing Arjona and Monteith classroom buildings. The 190,000 square foot facility, which will accommodate six academic departments, has just begun the project design phase and is scheduled for completion by August 2010.

Student Union Quad
This project includes the phased planning design and construction of landscape walks and other improvements for the large green area behind the Student Union including the area previously occupied by the Pharmacy buildings, which were demolished during the winter of 2006.
Torrey Life Science and Gant Building Renovations
Initial programming and project planning is underway for the proposed new Torrey Life Sciences building and the major renovation to the Gant building. This is a multi academic departments and program project.

Hillside Road Extension
Initial engineering planning and permitting are underway for the extension of Hillside Road to Route 44. This will be an important improvement regarding access to the north campus and the main University campus in general.

ON-GOING CONSTRUCTION PROJECTS – Storrs and Regional Campuses

Avery Point Campus Renovations
Renovation projects in facilities on the Avery Point Campus have been completed, or are in the construction or design phase. FY 07 projects include renovation and code upgrades for the gym and pool building and the underground steam distribution system.

Cogeneration/Central Chilled Water Facility
Construction of the gas turbine Cogeneration/Central Chilled Water Facility is complete and the facility is operational. Contract completion and project closeout are scheduled for June 2007. The facility is producing electricity for the Storrs campus, with secondary waste heat providing steam heat and driving chillers for cooling for a large segment of the Storrs campus. The project represents a major component of the University’s on-going energy efficiency and cost-containment efforts.
**Hilltop Apartments Code Correction**
The first phase of the Hilltop Apartments Code Correction Project was completed over the summer of 2005 and the second phase was completed by the end of August 2006. The third and final phase will be completed by September 2008. The purpose of this project was to correct fire and building code violations discovered after project completion.

**Intramural, Recreational & Intercollegiate Facilities**
The Intramural, Recreational & Intercollegiate Facilities Project is complete, operational and occupied. This facility houses the football program including offices, training rooms, locker rooms, dining facilities, lounge, strength and conditioning room and an indoor practice field. When not used by athletic teams, the indoor field is used by the recreational programs. The building has 170,000 square feet of space. Funding for this $48.8 million project includes $31 million from Phase III of UCONN 2000, and the remainder from private fundraising and Division of Athletics funds.
Lakeside Building Renovation
The Lakeside Building renovation design was completed and the project was bid in April 2006. Bids were received within budget and the project was authorized to proceed. The project is complete.

Landfill Closure
The Landfill Closure Project was bid in March 2006 by O&G Industries, the project Construction Manager. The project is 50% complete. While trade contractor bids exceeded the original engineers’ estimate, the total project remains within budget. The project has an 18 month duration.

Law School Renovations/Improvements
The installation of an elevator in Hartranft Building (renamed Chase Hall in August 2005) at the Law School Campus in Hartford was completed. This project also includes associated ADA modifications required to meet code requirements.

The Law School Library has experienced an on-going series of leaks through the exterior walls since opening in 1996. The project’s construction, whose start date predates UCONN 2000, was managed by the Department of Public Works. Corrections undertaken did not resolve the situation, so the University hired its own forensic engineer and consultant (Simpson Gumpertz and Heger, Inc. of Cambridge, MA) to investigate, identify problems and design solutions. The testing and analysis necessary to design is complete with construction documentation complete. The University is working with the Office of the Attorney General to pursue recovery from the original contractors. In the meantime, funding for repairs has been authorized by the General Assembly. The University has requested that the Bond Commission approve the allocation of that funding. A project budget for the design phase for the Law School Façade restoration was approved by the Board of Trustees on April 11, 2006. The project budget estimate of $15.8 million will require the University to allocate UCONN 2000 funds in addition to the authorization of $8 million in State General Obligation bonds under Special Act 04-2, Section 2(i). It is anticipated that work will commence at the beginning of FY 08.
Stamford Campus Improvements
The original design for the repair of the interior ramps to the Stamford Campus Parking Garage was completed and the project released for bid. The University developed alternate designs and the project was bid and should be completed within budget.

Student Union Addition
Construction is complete and the facility is operational and occupied on the second phase of the Student Union Addition Project. This phase included the demolition of the south end of the building and the construction of a new facility, which includes a food court, retail space, cultural center facilities and a ballroom with occupancy capacity of 300. The completed first phase of the project included a 500-seat theater, student activity offices and meeting spaces, cultural centers and offices for student organizations. It also included space for the student-run radio and TV stations. This project was designed as a complete rehabilitation and addition to the Student Union to make it a focal point for student life on campus. The combined project (Phase I and II) doubled the amount of space available for student use.

West Hartford Campus Renovations/Improvements
The project is complete. This project is partially funded by the Town of West Hartford, which uses the lots in conjunction with recreational use of athletic fields adjacent to the parking area.

Health Center Campus – Planning, Design and Management
An update to the Health Center's 2002 Master Plan is underway. Periodic updates to the Master Plan will serve to modify and adjust the planning template to assure the document is current and useful to inform the Health Center's planning efforts. FLAD & Associates, Stamford, CT is providing the consulting services.
UCHC Academic Building Renovation: Patterson and Massey Auditoria Renovations
The renovation of the Health Center’s two main teaching auditoria is scheduled to begin in May 2007. The project scope includes upgrades to the audio/visual and teaching technologies, provisions for lecture style tiered tables and seating and new architectural finishes, ceilings, lighting. The architecture firm Svigals + Partners, Architects and Planners of New Haven provided design services.

CLAC Renovation
The planning study for the Health Center’s Center for Laboratory Animal Care (CLAC), renovations, is complete. An overall schedule for the renovation is being formulated based on the planning study recommendations.

Dental School Renovation
A detailed planning effort is underway for the School of Dental Medicine. The planning study involves all Dental School disciplines and will establish their space needs, review the current space usage and provide recommendations for renovations and reconfigurations. The study will guide the Dental School Renovations which will occur over the next several years.
UCHC Deferred Maintenance
Several UCHC Deferred Maintenance projects are in construction including campus wide guard rail upgrades, sidewalk and paving improvements, lower campus water line relocation, absorption chiller replacement and various HVAC, electrical and fire alarm system upgrades.

Main Building Renovation
A planning study for the Health Center’s Main Building Renovations project is complete. The planning study, prepared by CUH2A, Architecture, Engineering, Planning, of Princeton NJ, provides a roadmap for the Main Building Renovation project. Planning options and phasing scenarios are refined in the study, which guide the design work for the renovations. The design is scheduled to begin in FY 08.

The Clinical Skills Renovation is a sub-project to the Main Building Renovation. This project will renovate a portion of the Main Building to allow for the relocation and expansion of the Clinical Skills teaching program. The expanded program will include the use of a life-size programmable mannequin with a computerized graphical user interface that will be used to teach clinical and decision making skills during realistic patient care scenarios. Construction is scheduled to begin in May 2007.

UCHC Research Tower
UCHC completed the purchase of 400 Farmington Avenue on February 1, 2007. The 113,000 gross square foot building and 25 acre parcel of land will be renovated to meet the significant need
for additional research and incubator space. The need for additional space is based on three important variables:

- Development of the core lab for the UConn Stem Cell Initiative, which will do work on human embryonic stem cells. There is a need for 26,000 gross square feet of wet lab and associated space.
- Housing additional research activities most closely associated with the work of the Stem Cell Initiative. It is estimated that 73,000 gross square feet will be needed.
- Incubator space for small businesses created by UConn research or wishing to be near UConn research. Approximately 12,000 gross square feet is needed for this type of use.

The design firm, Goody Clancy Architects, has been selected to provide architectural and engineering planning and design services for the project. The project is scheduled for completion in the spring of 2010.

UCONN 2000: SET-ASIDE CONTRACTOR SUMMARY
Public Act 99-241 called for, among other things, information regarding use of Connecticut-owned businesses on UCONN 2000 program projects, including those owned by women and minorities (“set-aside” contractors). Since Fiscal Year 1996, construction and related contracts for the UCONN 2000 program totaled $1.256 billion. As of August 2006, Connecticut businesses have accounted for $1.119 billion, or 89%, of the total contracted dollars. There have been $1.211 billion of projects completed to date. 24% of this total, or $282 million, has gone to “set-aside” general contractors and subcontractors. Overall, small business participation has amounted to $168 million, minority business participation has amounted to $38 million, and women-owned business participation has amounted to $80 million.

UCONN 2000: FINANCE
Pursuant to Section10a-109x of the Connecticut General Statutes, the Semiannual Report to the General Assembly is to provide, among other things, information on the number of projects and securities authorized, approved and issued; the payment of debt service requirements, and the payment of principal and interest on the UCONN 2000 securities; and the amount of investment earnings. This section provides that information.

General Obligation Bonds Secured by the State’s Debt Service Commitment
Section 10a-109 of the Connecticut General Statutes empowers the University to issue General Obligation Bonds secured by the State’s Debt Service Commitment (sometimes referred to as “General Obligation Debt Service Commitment Bonds” or “GO-DSC Bonds”). These Bonds are issued pursuant to the General Obligation Master Indenture of Trust, dated as of November 1, 1995, between the University of Connecticut, as Issuer, and Fleet National Bank of Connecticut as Trustee (now U.S. Bank N.A.). The University's Board of Trustees on November 10, 1995, and the State Bond Commission on December 21, 1995 approved the Master Indenture of Trust. UConn’s Board of Trustees and the Governor approve the subsequent Supplemental Indentures for each bond issue. The University and Office of the State Treasurer, working in conjunction, manage the Debt Service Commitment Bond sale process.
General Obligation Debt Service Commitment Bonds – Bond Issues Completed
Pursuant to Section 10a-109g of the Connecticut General Statutes, the UCONN 2000 General Obligation Debt Service Commitment Bonds authorized, approved and issued to date are listed below:

<table>
<thead>
<tr>
<th>Date of Issue</th>
<th>Par Amount</th>
<th>TIC (1)</th>
<th>General Obligation Bond Issue</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Phase I</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>February 21, 1996</td>
<td>$83,929,714.85</td>
<td>4.94%</td>
<td>1996 Series A</td>
</tr>
<tr>
<td>April 24, 1997</td>
<td>124,392,431.65</td>
<td>5.48%</td>
<td>1997 Series A</td>
</tr>
<tr>
<td>June 24, 1998</td>
<td>99,520,000.00</td>
<td>4.78%</td>
<td>1998 Series A</td>
</tr>
<tr>
<td>April 8, 1999</td>
<td>79,735,000.00</td>
<td>4.46%</td>
<td>1999 Series A</td>
</tr>
<tr>
<td><strong>Phase II &amp; III</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>March 29, 2000</td>
<td>$130,850,000.00</td>
<td>5.42%</td>
<td>2000 Series A</td>
</tr>
<tr>
<td>April 11, 2001</td>
<td>100,000,000.00</td>
<td>4.54%</td>
<td>2001 Series A</td>
</tr>
<tr>
<td>April 18, 2002</td>
<td>100,000,000.00</td>
<td>4.74%</td>
<td>2002 Series A(2)</td>
</tr>
<tr>
<td>March 26, 2003</td>
<td>96,210,000.00</td>
<td>3.97%</td>
<td>2003 Series A(3)</td>
</tr>
<tr>
<td>January 22, 2004</td>
<td>97,845,000.00</td>
<td>3.76%</td>
<td>2004 Series A(4)</td>
</tr>
<tr>
<td>March 16, 2005</td>
<td>98,110,000.00</td>
<td>4.20%</td>
<td>2005 Series A(5)</td>
</tr>
<tr>
<td>March 15, 2006</td>
<td>77,145,000.00</td>
<td>4.20%</td>
<td>2006 Series A(6)</td>
</tr>
<tr>
<td>April 12, 2007</td>
<td>89,355,000.00</td>
<td>4.10%</td>
<td>2007 Series A(7)</td>
</tr>
<tr>
<td><strong>Sub-Total Phases I, II &amp; III</strong></td>
<td>$1,177,092,146.50</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Refunding</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>January 29, 2004</td>
<td>$216,950,000.00</td>
<td>3.55%</td>
<td>2004 Series A Refunding(4)</td>
</tr>
<tr>
<td>March 15, 2006</td>
<td>61,020,000.00</td>
<td>4.17%</td>
<td>2006 Series A Refunding(6)</td>
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<td>April 12, 2007</td>
<td>46,030,000.00</td>
<td>4.19%</td>
<td>2007 Series A Refunding(7)</td>
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<tr>
<td><strong>Sub-Total Phases I, II &amp; III</strong></td>
<td>$324,000,000.00</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(1) TIC is the true interest cost reflecting the interest rate for the time value of money across an entire bond issue.
(2) The GO-DSC 2002 Series A Bonds provided $994,688.03 directly to the Office of the State Treasurer.
(3) The GO-DSC 2003 Series A Bonds par amount of $96,210,000 plus $3,790,000 of the original issue premium, totaled $100,000,000 available for projects.
(4) The GO-DSC 2004 Series A Bonds new money and GO-DSC Refunding 2004 Series A Bonds were issued under a single Official Statement with a par amount of $216,950,000. The GO-DSC 2004 new money bonds totaled $100,000,000 for projects, funded by the $97,845,000 par amount plus $2,155,000 of the original issue premium, and the GO-DSC Refunding 2004 Series A Bonds provided $223,160,000 for a refunding escrow. Additional proceeds including premium funded the refunding escrow and the costs of issuance.
(5) The GO-DSC 2005 Series A Bonds totaled $100,000,000 available for projects funded by the $98,110,000 par amount plus $1,890,000 of the original issue premium. Phase II authorizations accounted for $50 million and Phase III for $50 million.
(6) The GO-DSC 2006 Series A Bonds new money and GO-DSC Refunding 2006 Series A Bonds were issued under a single Official Statement with a par amount of $138,165,000. The GO-DSC 2006 Series A Bonds new money totaled $79,000,000 available for projects, funded by the $77,145,000 par amount plus $1,835,000 of the original issue premium, and the GO-DSC Refunding 2006 Series A Bonds provided $65,472,900 for a refunding escrow. Additional proceeds including premium funded the refunding escrow and the costs of issuance.

(7) The GO-DSC 2007 Series A Bonds new money and GO-DSC Refunding 2007 Series A Bonds were issued under a single Official Statement with a par amount of $135,385,000. The GO-DSC 2007 Series A Bonds new money totaled $89,000,000 available for projects, and the GO-DSC Refunding 2007 Series A Bonds provided $49,505,476.89 for a refunding escrow. Additional proceeds including premium funded the refunding escrow and the costs of issuance.

The twelve series of UCONN 2000 General Obligation DSC bonds issued to fund projects total $1,177,092,146.50 in par value and provided $1,180,000,000 for UCONN 2000 project spending. (Excluding the UCONN 2000 General Obligation DSC Refunding 2004, 2006 and 2007 Series A Bonds.) The remaining balance, together with accrued interest and net original issue premium, funded the costs of issuance and deposits to the State Treasurer.

**General Obligation Debt Service Commitment Bonds - Projects**

During Fiscal Year 2005 the University finished Phase I and Phase II and initiated Phase III of the UCONN 2000 project authorizations secured by the State's Debt Service Commitment. To date, seventy-five projects, totaling $1,180,000,000 have been authorized to receive General Obligation Debt Service Commitment bond proceeds, as follows:

<table>
<thead>
<tr>
<th>Phases I &amp; II</th>
<th>Authorized &amp; Issued</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agricultural Biotechnology Facility Completion</td>
<td>$3,000,000.00</td>
</tr>
<tr>
<td>Agricultural Biotechnology Facility</td>
<td>9,400,000.00</td>
</tr>
<tr>
<td>Alumni Quadrant Renovations</td>
<td>11,500,000.00</td>
</tr>
<tr>
<td>Avery Point Marine Science Research Center-Phase I</td>
<td>30,000,000.00</td>
</tr>
<tr>
<td>Avery Point Marine Science Research Center-Phase II</td>
<td>7,341,000.00</td>
</tr>
<tr>
<td>Avery Point Renovation</td>
<td>5,323,000.00</td>
</tr>
<tr>
<td>Benton State Art Museum Addition</td>
<td>700,000.00</td>
</tr>
<tr>
<td>Business School Renovation-Phase II</td>
<td>8,000,000.00</td>
</tr>
<tr>
<td>Central Warehouse New *</td>
<td>6,933,751.77</td>
</tr>
<tr>
<td>Chemistry Building</td>
<td>53,062,000.00</td>
</tr>
<tr>
<td>Deferred Maintenance &amp; Renovation Lumpsum-Phase I</td>
<td>40,792,000.00</td>
</tr>
<tr>
<td>Deferred Maintenance &amp; Renovation Lumpsum Balance-Phase II</td>
<td>110,326,022.13</td>
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<tr>
<td>East Campus North Renovations</td>
<td>7,710,000.00</td>
</tr>
<tr>
<td>Equipment, Library Collections &amp; Telecommunications-Phase I</td>
<td>60,500,000.00</td>
</tr>
<tr>
<td>Equipment, Library Collections &amp; Telecommunications Completion-Phase II</td>
<td>105,812,000.00</td>
</tr>
<tr>
<td>Gant Plaza Deck</td>
<td>7,287,174.10</td>
</tr>
<tr>
<td>Gentry Renovation</td>
<td>10,000,000.00</td>
</tr>
<tr>
<td>Grad Dorm Renovations</td>
<td>3,000,000.00</td>
</tr>
<tr>
<td>Heating Plant Upgrade</td>
<td>9,969,000.00</td>
</tr>
<tr>
<td>Hilltop Dormitory Renovations</td>
<td>8,700,000.00</td>
</tr>
<tr>
<td>Project Description</td>
<td>Cost</td>
</tr>
<tr>
<td>----------------------------------------------------------</td>
<td>-----------</td>
</tr>
<tr>
<td>Ice Rink Enclosure</td>
<td>3,280,000.00</td>
</tr>
<tr>
<td>International House Conversion (a.k.a. Museum of Natural History)</td>
<td>886,134.00</td>
</tr>
<tr>
<td>Litchfield Agricultural Center-Phase I</td>
<td>1,000,000.00</td>
</tr>
<tr>
<td>Mansfield Apartments Renovation</td>
<td>2,071,000.00</td>
</tr>
<tr>
<td>Mansfield Training School Improvements</td>
<td>3,500,000.00</td>
</tr>
<tr>
<td>Monteith Renovation</td>
<td>444,348.00</td>
</tr>
<tr>
<td>Music Drama Addition *</td>
<td>7,400,000.00</td>
</tr>
<tr>
<td>North Campus Renovation</td>
<td>11,866,000.00</td>
</tr>
<tr>
<td>North Superblock Site &amp; Utilities</td>
<td>7,668,000.00</td>
</tr>
<tr>
<td>Northwest Quadrant Renovation-Phase I</td>
<td>2,001,000.00</td>
</tr>
<tr>
<td>Northwest Quadrant Renovation-Phase II</td>
<td>30,000,000.00</td>
</tr>
<tr>
<td>Parking Garage-North</td>
<td>9,658,000.00</td>
</tr>
<tr>
<td>Pedestrian Walkways/(a.k.a. Fairfield Road Pedestrian Mall)</td>
<td>6,074,000.00</td>
</tr>
<tr>
<td>School of Business</td>
<td>25,652,366.00</td>
</tr>
<tr>
<td>School of Pharmacy</td>
<td>88,609,000.00</td>
</tr>
<tr>
<td>Shippee/Buckley Renovations</td>
<td>7,000,000.00</td>
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<tr>
<td>South Campus Complex</td>
<td>12,251,000.00</td>
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<tr>
<td>Stamford Downtown Relocation-Phase I</td>
<td>55,785,000.00</td>
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<tr>
<td>Student Union Addition</td>
<td>44,622,633.00</td>
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<tr>
<td>Technology Quadrant-Phase IA</td>
<td>39,993,000.00</td>
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<tr>
<td>Technology Quadrant-Phase II</td>
<td>34,120,000.00</td>
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<tr>
<td>Torrey Life Science Renovation</td>
<td>2,181,000.00</td>
</tr>
<tr>
<td>Towers Renovation</td>
<td>20,000,000.00</td>
</tr>
<tr>
<td>Underground Steam &amp; Water Upgrade-Phase I</td>
<td>6,000,000.00</td>
</tr>
<tr>
<td>Underground Steam &amp; Water Upgrade Completion - Phase II</td>
<td>6,000,000.00</td>
</tr>
<tr>
<td>Waring Building Conversion</td>
<td>11,452,000.00</td>
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<tr>
<td>Waterbury Property Purchase</td>
<td>200,000.00</td>
</tr>
<tr>
<td>West Campus Renovations</td>
<td>500,000.00</td>
</tr>
<tr>
<td>White Building Renovation</td>
<td>2,430,000.00</td>
</tr>
<tr>
<td>Wilbur Cross Building Renovation</td>
<td>19,999,571.00</td>
</tr>
<tr>
<td><strong>Total Phases I &amp; II</strong></td>
<td><strong>$962,000,000.00</strong></td>
</tr>
</tbody>
</table>

**Phase III – Storrs and Regional Campuses**

<table>
<thead>
<tr>
<th>Project Description</th>
<th>Authorized &amp; Issued</th>
</tr>
</thead>
<tbody>
<tr>
<td>Arjona and Monteith (new classroom buildings)</td>
<td>$9,100,000.00</td>
</tr>
<tr>
<td>Deferred Maintenance/Code/ADA Renovation Lumpsum</td>
<td>52,719,575.00</td>
</tr>
<tr>
<td>Equipment, Library Collections &amp; Telecommunications</td>
<td>26,909,575.00</td>
</tr>
<tr>
<td>Farm Buildings Repairs/Replacement</td>
<td>2,600,000.00</td>
</tr>
<tr>
<td>Intramural, Recreational and Intercollegiate Facilities</td>
<td>31,000,000.00</td>
</tr>
<tr>
<td>Lakeside Renovation</td>
<td>3,800,000.00</td>
</tr>
<tr>
<td>Law School Renovations/Improvements</td>
<td>10,500,000.00</td>
</tr>
<tr>
<td>Mansfield Training School Improvements</td>
<td>3,000,000.00</td>
</tr>
<tr>
<td>Natural History Museum Completion</td>
<td>500,000.00</td>
</tr>
<tr>
<td>North Hillside Road Completion</td>
<td>1,000,000.00</td>
</tr>
<tr>
<td>Residential Life Facilities</td>
<td>750,000.00</td>
</tr>
</tbody>
</table>
School of Pharmacy/Biology Completion 6,000,000.00
Stamford Campus Improvements 500,000.00
Student Union Addition 13,000,000.00
Torrey Renovation Completion and Biology Expansion 1,000,000.00
Waterbury Downtown Campus 300,000.00
West Hartford Campus Renovations/Improvements 500,000.00
**Total Phase III - Storrs and Regional Campuses** $163,179,150.00

**Phase III - Health Center**
CLAC Renovation Biosafety Level 3 Lab $30,000.00
Deferred Maintenance/Code/ADA Renovation Sum - Health Center 11,395,000.00
Dental School Renovation 1,325,000.00
Equipment, Library Collections and Telecommunications - Health Center 24,340,850.00
Library/Student Computer Center Renovation 1,150,000.00
Main Building Renovation 1,245,000.00
Medical School Academic Building Renovation 3,400,000.00
Research Tower 11,935,000.00
**Total Phase III - Health Center** $54,820,850.00

**Total Phase III** $218,000,000.00

**Total Phases I, II & III: GO-DSC Bond Authorizations** $1,180,000,000.00
* Pre-UCONN 2000 Bond Authorization

**General Obligation Debt Service Commitment Bonds – Refunding**
Pursuant to Section 10a-109m of the Connecticut General Statutes, the University may issue refunding securities. The University achieved a total of $20.9 million in gross debt services savings for Connecticut taxpayers by issuing several series of General Obligation DSC Refunding Bonds as follows.


On April 12, 2007, the University achieved $1.7 million in debt service savings through the issuance of $46,030,000 of UCONN 2000 General Obligation DSC Refunding 2007 Series A Bonds. Proceeds pre-refunded $46,695,000 of the portions of the 2002 and 2003 UCONN 2000 General Obligation DSC Bonds. Debt service savings amounted to $1,680,056.23 on a gross cash debt service savings basis, or $1,387,269.87 on a net present value basis (2.97% savings over refunded bonds debt service) spread across fiscal years 2008 to 2022.

**Special Obligation Revenue Bonds Secured by Pledged Revenues**

UCONN 2000 also authorizes the University to issue Special Obligation Revenue bonds. Unlike the UCONN 2000 General Obligation Debt Service Commitment Bonds that are paid from the State’s General Fund, debt on the Special Obligation Bonds are paid from certain pledged revenues of the University as defined in the particular bond series indenture.

A Special Capital Reserve Fund may be established for UCONN 2000 Special Obligation bond issues only if the Board of Trustees determines that the Special Obligation bond issue is self-sufficient as defined in the Act. The self-sufficiency finding by the University must be submitted to and confirmed as not unreasonable or arbitrary by the State Treasurer prior to issuance of the bonds. Once approved, the Special Capital Reserve Fund is funded at issuance by the University to meet the minimum capital reserve requirement.

**Special Obligation Student Fee Revenue Bonds - Bond Issues Completed**

Section 10a-109x of the Connecticut General Statutes requires that the University’s Semiannual Report to the General Assembly provide information on the number of projects and securities authorized, approved and issued; the payment of debt service requirements, and the payment of principal and interest on the UCONN 2000 securities; and the amount of investment earnings.

The UCONN 2000 Special Obligation Student Fee Revenue Securities authorized, approved and issued to date are listed below.

Student Fee Revenue Bonds have been issued pursuant to the Special Obligation Indenture of Trust, dated as of January 1, 1997, between the University as Issuer and U.S. Bank N.A. as successor to State Street Bank & Trust as Trustee (“the Special Obligation Master Indenture”). The Board of Trustees approved the Master Indenture on November 8, 1996.

The University’s Board of Trustees and the Governor approve the subsequent Supplemental Indentures for each Special Obligation bond issue. The University and Office of the State Treasurer, working in conjunction, manage the Special Obligation Bond sale process. UCONN 2000 Special Obligation Student Fee Revenue Bonds issued to date are summarized below:

<table>
<thead>
<tr>
<th>Date of Issue</th>
<th>Par Amount</th>
<th>TIC (1) Special Obligation Student Fee Revenue Bond Issue</th>
</tr>
</thead>
<tbody>
<tr>
<td>February 4, 1998</td>
<td>$33,560,000</td>
<td>1998 Series A</td>
</tr>
<tr>
<td>June 1, 2000</td>
<td>$89,570,000</td>
<td>2000 Series A (2)</td>
</tr>
<tr>
<td>February 14, 2002</td>
<td>$75,430,000</td>
<td>2002 Series A</td>
</tr>
<tr>
<td>February 27, 2002</td>
<td>$96,130,000</td>
<td>Refunding 2002 Series A</td>
</tr>
</tbody>
</table>
(1) TIC is the true interest cost reflecting the interest rate for the time value of money across an entire bond issue. The UCONN 2000 Special Obligation Bonds are generally issued for an approximate 30-year final maturity, compared to a 20-year final maturity for the General Obligation DSC Bonds; hence the TIC may appear relatively higher for Special Obligation Bonds.

(2) The 2000 Series A bonds were refunded on February 27, 2002.

On February 4, 1998, the University issued $33,560,000 of UCONN 2000 Student Fee Revenue 1998 Series A Bonds with a final maturity of November 15, 2027. The Special Obligation First Supplemental Indenture was also dated January 1, 1997 and authorized the issuance of bonds up to a principal amount not to exceed $30,000,000 for construction of the South Campus Residence and Dining Hall, plus amounts necessary to fund a Special Capital Reserve Fund (“SCRF”) and provide for costs of issuance. The University managed the issuance and sale of these bonds and realized a favorable true interest cost over the term. Debt service for these bonds is paid from the student Infrastructure Maintenance Fee, instituted in 1997, and other pledged revenues as further defined in the Indenture of Trust. Such pledged revenues also help support future operation and maintenance costs for facilities built or renovated through UCONN 2000.

On June 1, 2000, the University issued $89,570,000 of the UCONN 2000 Student Fee Revenue 2000 Series A Bonds pursuant to the Special Obligation Master Indenture and the Special Obligation Student Fee Revenue Bonds Second Supplemental Indenture dated as of May 1, 2000. Bond proceeds funded $87,000,000 of construction for the Hilltop Dormitory, Hilltop Student Rental Apartments, and Parking Garage South. They also provided for capitalized interest and costs of issuance. The $89,570,000 Student Fee Revenue 2000 Series A Bonds were defeased in substance on February 27, 2002, as further described below, and are no longer reflected as outstanding debt on the University's financial statements.

On February 14, 2002, the University issued $75,430,000 of the UCONN 2000 Student Fee Revenue 2002 Series A Bonds pursuant to the Special Obligation Master Indenture and the Special Obligation Student Fee Revenue Bonds Fourth Supplemental Indenture dated as of November 16, 2001. Bond proceeds funded $72,180,000 of construction for the Alumni Quadrant Renovations, Shippee/Buckley Renovations, East Campus North Renovations, Towers Renovations (including Greek Housing), and North Campus Renovations (including North Campus Student Suites and Apartments).

Special Obligation Student Fee Revenue Bonds - Projects
To date, nine projects have been authorized to receive $189,180,000 of the UCONN 2000 Special Obligation Student Fee Revenue bond proceeds (some of these projects were also supported by General Obligation bonds or other funding) as follows:

<table>
<thead>
<tr>
<th>Special Obligation Bonds</th>
<th>Authorized &amp; Issued</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alumni Quadrant Renovations (1)</td>
<td>$7,000,000</td>
</tr>
<tr>
<td>East Campus North Renovations (1)</td>
<td>1,000,000</td>
</tr>
<tr>
<td>Hilltop Dormitory New</td>
<td>21,000,000</td>
</tr>
<tr>
<td>Hilltop Student Rental Apartments</td>
<td>42,000,000</td>
</tr>
<tr>
<td>North Campus Renovation (including North Campus Student Suites &amp; Apartments) (1)</td>
<td>45,000,000</td>
</tr>
</tbody>
</table>
Parking Garage-South (1)  24,000,000  
Shippee/Buckley Renovations  5,000,000  
South Campus Complex  30,000,000  
Towers Renovations (including Greek Housing) (1)  14,180,000  
Total  $189,180,000  

(1) Also partially funded with proceeds of the University's General Obligation bonds.

**Special Obligation Student Fee Revenue Bonds - Refunding**

Pursuant to Section 10a-109m of the Connecticut General Statutes, the University may issue refunding securities. On February 27, 2002, the University achieved debt service savings of $3,553,672 on a gross cash debt service savings basis, or $2,383,106 on a net present value basis (3.036% savings over refunded bonds debt service) through its issuance of $96,130,000 of the UCONN 2000 Student Fee Revenue Refunding 2002 Series A Bonds. The bonds were issued pursuant to the Special Obligation Master Indenture and the Special Obligation Student Fee Revenue Bonds Third Supplemental Indenture, dated as of February 1, 2002. Proceeds were used to take advantage of favorable market conditions to advance refund and defease in substance all of the $89,570,000 of Student Fee Revenue 2000 Series A Bonds outstanding. Proceeds were deposited with the Trustee bank in an irrevocable escrow fund sufficient to satisfy future debt service and call premiums on the prior issue.

**Tax-Exempt Governmental Lease Purchase Agreement**

The Board of Trustees authorized $81,900,000 of UCONN 2000 debt in the form of a Tax-Exempt Governmental Lease Purchase Agreement secured by the University’s general obligation for the Cogeneration facility portion of the UCONN 2000 Heating Plant Upgrade project.

This $81,900,000 of UCONN 2000 debt was not issued under the UCONN 2000 General Obligation or Special Obligation Indentures of Trust, but was entered into under certain separately negotiated documents and agreements in two parts. On December 18, 2003, the University entered into a privately placed $75,000,000 Tax-Exempt Governmental Lease Purchase Agreement with a reported nominal interest rate of 4.42% compounded monthly to finance the design and construction of a combined heat and power plant. On August 15, 2005, the University amended the agreement for an additional borrowing of up to $6,900,000 at a 5.09% interest rate compounded monthly (resulting in a combined interest rate of approximately 4.5%).

The Heating Plant Upgrade project is a named project under UCONN 2000. The Cogeneration facility is a linchpin of the University’s commitment to energy efficiency and is expected to generate substantially all of the needs for electrical power, heating and cooling on the Storrs campus. Cost avoidance achieved through the construction of the facility will generate funds to pay the debt and debt service. An earlier phase of the Heating Plant Upgrade project was funded with UCONN 2000 General Obligation DSC bonds as listed above.

The lease is not rated by the credit rating agencies but as UCONN 2000 debt it is weighted in their credit rating analysis of the UCONN 2000 General Obligation and Special Obligation programs.
Credit Ratings
As of April 12, 2007, the UCONN 2000 General Obligation Debt Service Commitment bonds were rated “AA” by Standard & Poor’s; “Aa3” by Moody’s Investors Service, and “AA-” by Fitch Investors Service. The UCONN 2000 Special Obligation Bonds not secured by SCRF were rated “AA-” by Standard & Poor’s and “Aa3” by Moody’s Investors Service. Fitch Investors Service does not rate the Special Obligation bonds not secured by SCRF.

The Special Obligation Bonds Series 1998-A carries a Special Capital Reserve Fund and is rated “AA” by Standard & Poor’s, “Aa3” by Moody’s, and “AA-” by Fitch. In addition to the underlying credit ratings, “AAA” rated municipal bond insurance secures certain maturities of several of the above bond issues.

It is a strong vote of confidence in the University that Moody’s ranks all these bonds the same as the State’s General Obligation Bond “Aa3” credit rating.

Credit Rating History
Since the inception of UCONN 2000, the University’s bond issues have experienced a favorable credit rating history, including several credit rating upgrades.

The capital markets have recognized the tangible benefits to the State’s economy of meeting the infrastructure and educational goals of the program, as well as the University’s success in implementing them. A high quality credit rating not only provides the State and the University with less expensive access to the capital markets but also supports the State’s quality reputation among investors. A University milestone occurred in 2002 with the achievement of the high-grade “double A” credit-rating category from Moody’s Investors Service for both its General Obligation and Special Obligation bonds.


February 1998: the first issue of UCONN 2000 Special Obligation bonds depended upon the State’s SCRF credit rating. An underlying “stand-alone” credit rating was not available for this nascent program. At the time of issuance, the State SCRF enhancement allowed the bonds to obtain an “AA-” rating from Standard & Poor’s, “AA-” from Fitch Investors Service, and “A1” from Moody’s Investors Service. The bonds were subsequently covered by municipal bond insurance and upgraded to “AAA” at Fitch and Standard & Poor’s and “Aaa” at Moody’s Investors Service.


June 2000: the University achieved a milestone with its first underlying Special Obligation Bond “stand alone” credit rating of “AA-” from Standard & Poor’s and an “A1” from Moody’s.
February 2001: Moody's upgraded UCONN 2000 General Obligation DSC Bonds to “Aa2” from “Aa3”. In April 2001, the General Obligation DSC 2001 Series A bonds were sold without any bond insurance security enhancement on any maturity, another successful first-time accomplishment for the UCONN 2000 bond program. Moody's upgraded UConn's Student Fee Revenue 1998 Series A Bonds, which are secured by the State SCRF, at this time to “Aa3” from “A1”.

January 2002: UCONN 2000 Special Obligation Bonds (Non-SCRF) were upgraded to “Aa3” from “A1” by Moody's. This graduated UConn's Special Obligation bonds to Moody's “high-grade” bond category and impacted the underlying credit on all outstanding Special Obligation Student Fee Revenue Bonds. (The $33.6 million Special Obligation Student Fee Revenue Series 1998 Series A Bonds additionally secured by the State’s SCRF already carried the “Aa3” rating.) This high rating was assigned a stable outlook and represented a positive judgment by the capital markets regarding UConn's financial strength, real and potential growth as an institution, and management.

August 2002: Reflecting the outlook changes for the State’s General Obligation Bonds, Moody’s and Standard and Poor’s both moved their outlook from “stable” to “negative” for UCONN 2000 General Obligation DSC Bonds while retaining their respective credit rating levels at “Aa2” and “AA”. Fitch took no action. In a sign of confidence in the University's management and growth potential, Moody's and Standard & Poor's kept UConn's Special Obligation Bond ratings levels and stable outlook unchanged.

March 2003: During tougher economic times, the rating agencies confirmed the University's General Obligation DSC bond ratings as follows: Fitch “AA-”; Standard & Poor’s “AA”; and Moody’s “Aa2”. Moody's also confirmed UConn's Special Obligation and Foundation bond ratings at “Aa3”. Holding the credit ratings was a good sign in light of Moody's February 2003 move of the State General Obligation bonds and consequently the University's DSC and SCRF security bonds to a watch list for possible downgrade.

July 2003: On July 2, 2003, citing State budget problems, Moody's downgraded the University's General Obligation DSC bond ratings to “Aa3” from “Aa2” consistent with its action on the State General Obligation bond rating. The good news was that Moody's confirmed UConn's Special Obligation (non-SCRF) bond ratings at “Aa3”. Moody's also briefly downgraded the University's 1998 Special Obligation Bonds secured by the State’s SCRF to “A1” following a general downgrade of any bonds backed by the State’s SCRF but then upgraded the University's 1998 Special Obligation Bonds back to “Aa3” on July 14, 2003.

January 2004: We were successful in confirming the credit ratings for the UCONN 2000 General Obligation Debt Service Commitment bonds at a time of State budget deficits and negative press reports. The unenhanced ratings for the UCONN 2000 GO DSC 2004 new money and refunding bond issues were as follows: Moody's Investors Service “Aa3”, Standard & Poor's “AA” and Fitch IBCA “AA-”. Several maturities also carried “AAA” rated MBIA bond insurance.

February 2005: The unenhanced ratings for the UCONN 2000 GO DSC 2005 new money bond issue were confirmed with Moody's Investors Service “Aa3”, Standard & Poor's “AA” and Fitch IBCA “AA-”. Several maturities also carried “AAA” rated FSA bond insurance.
February 2006: The unenhanced ratings for the UCONN 2000 GO DSC 2006 new money and refunding bond issues were confirmed as follows: Moody's Investors Service “Aa3”, Standard & Poor’s “AA” and Fitch IBCA “AA-”. Several maturities also carried “AAA” rated FGIC bond insurance.

March 2007: The unenhanced ratings for the UCONN 2000 GO DSC 2007 new money and refunding bond issues were confirmed as follows: Moody's Investors Service “Aa3”, Standard & Poor’s “AA” and Fitch IBCA “AA-”. The bonds were issued without bond insurance.

Debt Service
Pursuant to Section 10a-109x of the Connecticut General Statutes, the Semiannual Report to the General Assembly is to list the payment of debt service requirements and the payment of principal and interest on the UCONN 2000 securities.

General Obligation Debt Service Commitment Bonds
The State General Fund pays the debt service on the University’s General Obligation Debt Service Commitment Bonds. The University pays the debt service on the Special Obligation Student Fee Revenue Bonds from its own resources. For the fiscal year ending June 30, 2006, the Debt Service Commitment paid for the University’s General Obligation Bonds amounted to $85.9 million (representing $53.6 million of principal and $32.3 million of interest). As of April 12, 2007, over the life of all the UCONN 2000 General Obligation Debt Service Commitment securities issued since the program’s inception in 1996 (including the GO-DSC 2007, GO-DSC 2006 and GO-DSC 2004 Refunding Bonds but net of refunded debt), total debt service (which is paid by the State) amounted to $1,724.7 million, representing $1,169.6 million of principal and $555.1 million of interest. As of April 12, 2007, the University had paid debt service of $582.4 million, representing $341.5 million of principal and $240.9 million of interest (including capital appreciation bonds). As of April 12, 2007, future debt service requirements amounted to $1,142.3 million representing $828.1 million of principal and $314.2 million of interest (including capital appreciation bonds).

Special Obligation Student Fee Revenue Bonds
As of April 12, 2007, over the life of the bonds for all of the UCONN 2000 Special Obligation Student Fee Revenue securities issued since the program’s inception in 1996, total debt service (which is paid by the University) amounted to $392.6 million, representing $205.1 million of principal and $187.5 million of interest (including the Special Obligation Student Fee Revenue Refunding 2002 Series A Bonds but net of refunded debt). As of April 12, 2007, the University had paid debt service of $80.6 million (representing $21.8 million of principal and $58.7 million of interest). As of April 12, 2007, debt service remaining totaled $312.1 million comprising $183.3 million of principal and $128.8 million of interest (including capital appreciation bonds).

All other things equal, the Special Obligation bonds incur proportionally more interest expense because they are generally issued for terms of up to approximately thirty years compared to twenty years for the Debt Service Commitment bonds. For the fiscal year ending June 30, 2006, the University paid from its own resources Special Obligation Bond debt service of $13.2 million (representing $4.0 million of principal and $9.2 million of interest).
The UCONN 2000 Special Obligation Student Fee Revenue 1998 Series A Bonds carry the State Special Capital Reserve Fund. Consequently, pursuant to Section 909 of the Special Obligation Indenture on or before December 1, annually, if the SCRF amount falls below the required minimum capital reserve the Chairman of the Board of Trustees is to file a Certification with the Secretary of the Office of Policy and Management and the State Treasurer to replenish the Special Capital Reserve Fund. Upon such notification there is deemed to be appropriated, from the State General Fund, sums necessary to restore each Special Capital Reserve Fund to the required minimum capital reserve. To date the University’s Debt Service Requirement has been fulfilled as pledged in the Indenture, and no such certification has been required.

Tax-Exempt Governmental Lease Purchase Agreement
The capital lease for the $81,900,000 Heating Plant Upgrade project is paid by the University. Debt is to be paid in 240 monthly installments of $517,135.10 each. Over the life of the financing, debt service totals $124,112,424 comprising $42,212,424 of interest and $81,900,000 of principal.

Debt Service payments commenced on January 29, 2006. As of April 12, 2007, the University had paid debt service of $7.8 million (representing $3.3 million of principal and $4.5 million of interest). Remaining debt service amounts to $116.3 million (representing $78.6 million of principal and $37.7 million of interest).

Investment of Debt Proceeds - Management, Investment and Earnings
The proceeds of the sale by the University of any bonds are part of the Trust Estate established under the General Obligation Master Indenture of Trust with the Trustee Bank as security for bondholders. Consequently, the University holds all of the bond proceeds at the Trustee Bank, with this exception: the Costs of Issuance account funded by the University’s General Obligation Debt Service Commitment bonds may be held and invested by the State Treasurer’s Office in a segregated account. The Special Obligation Master Indenture has similar Trust Estate provisions. The Trustee Bank holds all of the Special Obligation bond proceeds received at issuance including the Costs of Issuance account.

Prior to June 1998, all UCONN 2000 General Obligation Debt Service Commitment Bond proceeds were deposited with the Office of the State Treasurer and treated like State bond proceeds, including payments made to vendors through the Office of the State Comptroller. Subsequently, the Office of the Attorney General opined that the University, and not the State, issues UCONN 2000 bonds. Accordingly, upon advice of bond counsel and in conformity with the Master Indenture of Trust, Debt Service Commitment Bond construction fund proceeds were deposited to the Trustee Bank and disbursed as directed by the University pursuant to the Indenture. The UCONN 2000 General Obligation Debt Service Commitment Bond proceeds for costs of issuance are still treated like State bond proceeds and deposited with the Office of the State Treasurer and disbursed through the Office of the State Comptroller.

The Indentures of Trust provide that the University is authorized and directed to order each disbursement from the Construction Account held by the Trustee upon a certification filed with the Trustee bank and, in the case of the Debt Service Commitment bonds, the State Treasurer. The Indentures provide that such certification shall be signed by an Authorized Officer of the University and include certain disbursement information. Once the Authorized Officer certification filings are made, the University can directly disburse payments.
The investment of tax-exempt debt proceeds is heavily regulated by the Internal Revenue Service, the relevant Indentures of Trust with bondholders, Connecticut law, and other regulatory restrictions. In addition to meeting those requirements, the University's general investment policy is to balance an appropriate risk-return level, heavily weighted towards safety of assets, with estimated cash flow needs and liquidity requirements. The University is also mindful that the rating agencies, bond buyers, and bond insurers often weigh the quality of an issuer's investment portfolio.

Bond Proceeds form part of the Trust Estate established with the Trustee Bank as security for bondholders. To date, the University has directed the Trustee Bank to invest any Debt Service Commitment construction fund proceeds in the State Treasurer's Short Term Investment Fund ("STIF") which is "AAA" rated and offers daily liquidity and historically attractive risk-adjusted yields. The State Treasurer's Office wishes to hold and invest the University's General Obligation Bonds Debt Service Commitment funded Costs of Issuance account, a much smaller account.

The General Obligation Debt Service Commitment Refunding 2007, 2006 and 2004 Series A Bond proceeds, other than the costs of issuance, are held by the Trustee Bank in an irrevocable escrow fund, which is invested in U.S. Treasury Securities and/or U.S. Treasury State and Local Government Securities ("SLGS") and cash pursuant to the relative Escrow Agreements.

It has been the University's practice to invest all of the Special Obligation new money bond proceeds, including the debt service funds, in dedicated STIF accounts, with the exception of the 1998 Special Obligation Special Capital Reserve Fund which from time to time has also been invested in longer term "AAA" rated federal agencies' fixed income Investment Obligations as defined in the Special Obligation Indenture of Trust.

The Special Obligation Student Fee Revenue Refunding 2002 Series A Bond proceeds, other than the costs of issuance and debt service accounts that are invested in STIF, are held by the Trustee Bank in an irrevocable escrow fund, which is invested in U.S. Treasury State and Local Government Securities ("SLGS"), and cash pursuant to the Escrow Agreement.

The University's General Obligation Debt Service Commitment bond proceeds investment earnings are retained and recorded by the State Treasurer's Office and do not flow to the University or to the Trustee Bank. The University's Special Obligation bond investment earnings are part of the pledged revenues and are directly retained by the Trustee Bank to pay debt service on the bonds, and may also be used to flow to other Trustee bond accounts, if necessary, pursuant to the Indenture of Trust. Fiscal year end June 30, 2006, UCONN 2000 Special Obligation Student Fee Revenue Bonds (not including the refunding bonds) investment earnings amounted to $141,900.24 (cash basis).

Investment earnings on the Special Obligation Student Fee Revenue 2002 Series A Bonds Refunding Escrow Account flow to the irrevocable escrow and are used by the Trustee Bank to meet debt service payments on the defeased bonds. Similarly, investment earnings on the General Obligation Debt Service Commitment 2007, 2006 and 2004 Series A Bonds Refunding Escrow Accounts flow to their respective irrevocable escrows and are used by the Trustee Bank to meet debt service payments on the defeased bonds.

On December 29, 2005, the University received $15,847,241.65 representing the last advance of the $81,900,000 of funds to the University under the Tax-Exempt Governmental Lease Purchase Agreement for the Heating Plant Upgrade Cogeneration facility. These funds, and the related
investment income, are for uses related to the Cogeneration financing and were deposited in a dedicated STIF account. Investment income as of June 30, 2006 amounted to $296,436.15 (cash basis). During December 2006 the remaining proceeds from the initial December 18, 2003 financing was invested in the Tax Exempt Proceeds Fund and yield restricted.

**Future UCONN 2000 Debt Issuance**
UCONN 2000 Phase III provides $1,300,000,000 of University General Obligation bonds secured by the State's Debt Service Commitment. As of April 12, 2007, $218,000,000 of Phase III has been authorized and issued, leaving $1,082,000,000 for future fiscal years.

While no Board of Trustee authorizations are pending at this time, the University plans to issue a new UCONN 2000 General Obligation Debt Service Commitment Bond issue during Fiscal Year 2008 to fund approximately $120,000,000 of UCONN 2000 projects.

While no Board of Trustee authorizations are pending at this time, the University also could issue Special Obligation Revenue bonds for certain projects that have a financial self-sufficiency capacity and/or if aggregate pledged revenues are sufficient to meet requirements of the Special Obligation Indenture.

Finally, while no Board of Trustee authorizations are pending at this time, the University may enter into other types of tax-exempt or taxable debt pursuant to the UCONN 2000 Act financings such as the Governmental Lease Purchase Agreement.

Market conditions and other factors might also lead to issuance of General Obligation, Special Obligation, or other refunding debt in the future.

**Audited Financial Statements**
UCONN 2000 financings are debt obligations of the University, as issuer, and are reflected accordingly on UConn's financial statements. For example, the General Obligation and Special Obligation bonds and other debt are shown as liabilities on the University's financial statements. The financed UCONN 2000 projects and any unspent debt proceeds are shown as assets. The State's Debt Service Commitment and debt service payments are also reflected on the University's financial statements.

**UCONN 2000: PRIVATE FINANCIAL SUPPORT**
As of January 31, 2007 new gifts and pledges to the UConn Foundation totaled $22.11 million, or 43 percent of the $51 million goal for fiscal year 2007. This is compared to $17.12 million received for the same period last year. Cash basis gift receipts were at $20.47 million, or 41 percent of the $50 million goal for the year, compared with $29.93 million for the same period in FY 06. The number of cash basis donors totaled 19,960, or 57 percent of goal, compared to 20,295 in 2006.

**State Endowment Matching Funds**
As of January 31, the dollar value of endowment gifts eligible for state matching grants was $4.26 million, a decrease of 26 percent over 2006. This represents 14 percent of the $30 million goal for calendar year 2007.
Submissions for calendar year 2006 included $10,483,876 eligible gifts to endowment, resulting in a state match request of $4,115,713. As of February 15, 2007, the total of state matching funds outstanding from calendar years 2004-2006 was $16,648,625.

**Significant Commitments**

Mr. and Mrs. Ray Neag contributed $2.5 million to the UConn Health Center for purchase of a new Helical TomoTherapy Hi-Art cancer treatment system.

Lea’s Foundation for Leukemia Research pledged $1.25 million to establish the Lea’s Foundation Center for Hematologic Disorders at the UConn Health Center.

Mrs. Julia B. Budney pledged $1 million to the Julia B. Budney Fund to benefit the Connecticut State Museum of Natural History.

The ING Group pledged $450,000 to the ING Foundation Fund for the University of Connecticut in the School of Business.

Mr. and Mrs. Daniel Toscano pledged $400,000 to create two memorial scholarships in the School of Business.

Arthrex, Inc. pledged $307,000 to The UCHC Orthopaedic Research Assistance Funding at the UConn Health Center.

Mrs. Hazel P. Jacoby contributed $275,000 to the Arthur J. Pierpont Endowment in the College of Agriculture and Natural Resources.

The McLeod Blue Skye Charitable Foundation pledged $250,000 to establish the McLeod Faculty Fellowship Fund in the Neag School of Education.

The Connecticut Humanities Council pledged $250,000 to support the Encyclopedia of Connecticut History Online (ECHO) in the College of Liberal Arts & Sciences.

Boehringer Ingelheim Pharmaceuticals pledged $180,000 to fund a pilot masters program in synthetic organic chemistry in the College of Liberal Arts & Sciences.

The Mohegan Sun contributed $167,000 to the Calhoun Cardiology Golf Fund at the UConn Health Center.

The UConn Club donated $153,000 to the Division of Athletics for scholarship and marching band support.

Mr. and Mrs. William M. Hait pledged $125,000 for the William and Adam Hait Scholarship Fund in the School of Pharmacy.
The Bernard Osher Foundation gave $100,000 to create the Osher Lifelong Learning Institute at UConn Waterbury.

Mr. Gregory J. Contas contributed $100,000 for a Clinical Trials Nurse in the Neag Comprehensive Cancer Center.

Mr. and Mrs. David H. Schwartz donated $100,000 to create a book award fund at the UConn Health Center.

**UCONN 2000 IN CYBERSPACE**

Information about UCONN 2000 is available on the World Wide Web via the UCONN 2000 homepage. The address is: www.uc2000.uconn.edu/

The website contains all previous legislative updates to the Governor and the General Assembly, the four year progress report, the original UCONN 2000 proposal and UCONN 2000 project updates from the homepages of the University's Facilities Management Department.
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