The CCSU Foundation, Inc.

Financial Statements
and Independent Auditor's Report

June 30, 2025
(With Comparative Totals for June 30, 2024)

CohnReznick

The CCSU Foundation, Inc.

Index

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Independent Auditor's Report

To the Board of Directors
The CCSU Foundation, Inc.

Opinion

We have audited the financial statements of The CCSU Foundation, Inc., which comprise the statement of financial position as of June 30, 2025, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of The CCSU Foundation, Inc. as of June 30, 2025, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

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

Report on Summarized Comparative Information

We have previously audited The CCSU Foundation, Inc.'s June 30, 2024 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 30, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2024 is consistent, in all material respects, with the audited financial statements from which it has been derived.

CohnReznick LLP

Hartford, Connecticut
October 30, 2025

The CCSU Foundation, Inc.

Statement of Financial Position
June 30, 2025
(With Comparative Totals for June 30, 2024)

Assets

	2025	2024
Assets		
Cash	$ 2,242,311	$ 2,924,975
Promises to give, net	751,906	875,324
Other receivables	34,693	-
Prepaid expenses	40,348	6,299
Investments	105,692,985	97,135,679
Other asset	532,266	532,266
Cash surrender value of life insurance	33,040	192,096
Beneficial interest in trusts	671,698	632,188
Art collection	57,000	57,000
Total assets	$ 110,056,247	$ 102,355,827

Liabilities and Net Assets

	2025	2024
Liabilities		
Class accounts	$ 30,620	$ 106,143
Accounts payable and accrued expenses	205,857	205,199
Payable to CCSU	220,797	1,580,397
Payable to Alumni Association	21,337	-
Total liabilities	478,611	1,891,739
Net assets		
Without donor restrictions		
Undesignated	3,025,272	2,187,797
Board designated	32,431	191,233
With donor restrictions		
Time or purpose restricted	48,991,390	42,036,472
Restricted in perpetuity	57,528,543	56,048,586
Total net assets	109,577,636	100,464,088
Total liabilities and net assets	$ 110,056,247	$ 102,355,827

See Notes to Financial Statements.

The CCSU Foundation, Inc.

Statement of Activities and Changes in Net Assets
Year Ended June 30, 2025
(With Comparative Totals for June 30, 2024)

	2025			2024
	Without donor restrictions	With donor restrictions	Total	Total
Revenue				
Contributions	$ 946,906	$ 3,052,352	$ 3,999,258	$ 2,301,095
Program income	35,687	176,709	212,396	175,513
Investment income	303,941	10,274,589	10,578,530	8,682,198
Donated services	1,502,519	-	1,502,519	1,732,091
Net assets released from restrictions	5,068,775	(5,068,775)	-	-
Total revenue	7,857,828	8,434,875	16,292,703	12,890,897
Expenses				
Institutional enrichment	196,033	-	196,033	136,116
Student support	3,249,702	-	3,249,702	3,064,418
University support	1,199,850	-	1,199,850	1,026,951
Academic enrichment	649,337	-	649,337	468,250
Management and general	1,111,874	-	1,111,874	1,019,578
Fundraising	772,359	-	772,359	613,440
Total expenses	7,179,155	-	7,179,155	6,328,753
Changes in net assets	678,673	8,434,875	9,113,548	6,562,144
Net assets, beginning	2,379,030	98,085,058	100,464,088	93,901,944
Net assets, end	$ 3,057,703	$ 106,519,933	$ 109,577,636	$ 100,464,088

See Notes to Financial Statements.

The CCSU Foundation, Inc.

Statement of Functional Expenses
Year Ended June 30, 2025
(With Comparative Totals for June 30, 2024)

	2025								2024
	Program expenses								
	Institutional enrichment	Student support	University support	Academic enrichment	Total program	Management and general	Fundraising	Total expenses	Total
Scholarship	$ 43,821	$ 2,623,346	$ 34,375	$ 120,275	$ 2,821,817	$ -	$ -	$ 2,821,817	$ 2,581,606
Donated services	-	546,096	-	-	546,096	401,975	554,448	1,502,519	1,732,091
Grants	32,917	41,700	791,380	273,326	1,139,323	-	-	1,139,323	789,319
Payroll	-	-	-	-	-	-	-	-	50,914
Stipends and awards	-	17,550	250	85,478	103,278	1,000	-	104,278	48,888
Supplies and equipment	10,440	1,623	143,676	36,388	192,127	70,853	-	262,980	201,786
Travel, meals and entertainment	14,281	8,902	133,725	51,922	208,830	125,186	-	334,016	203,926
Professional fees and contracted services	42,000	9,590	62,852	8,825	123,267	323,227	217,911	664,405	469,152
Bank fees	-	-	-	-	-	34,496	-	34,496	25,678
Membership program	1,494	200	8,230	4,091	14,015	18,538	-	32,553	27,908
Miscellaneous	8,021	-	9,150	55,874	73,045	30,443	-	103,488	67,385
Insurance	-	-	-	-	-	8,929	-	8,929	9,617
Advertising	-	695	5,785	7,990	14,470	1,900	-	16,370	13,207
Subscriptions and software	43,059	-	10,427	5,168	58,654	95,327	-	153,981	107,276
Total	$ 196,033	$ 3,249,702	$ 1,199,850	$ 649,337	$ 5,294,922	$ 1,111,874	$ 772,359	$ 7,179,155	$ 6,328,753

See Notes to Financial Statements.

The CCSU Foundation, Inc.

Statement of Cash Flows
Year Ended June 30, 2025
(With Comparative Totals for June 30, 2024)

	2025	2024
Cash flows from operating activities		
Changes in net assets	$ 9,113,548	$ 6,562,144
Adjustments to reconcile changes in net assets to net cash provided by operating activities		
Contributions designated for long-term investment	(1,673,252)	(419,833)
Realized and unrealized gain	(4,019,770)	(4,763,387)
Beneficial interest in trusts	(39,510)	(39,906)
Cash value life insurance	(5,093)	(29,243)
Changes in operating assets and liabilities		
Promises to give	123,418	(385,115)
Prepaid expenses	(34,049)	31,561
Other receivables	(34,693)	-
Other assets	-	(348,390)
Class accounts	(75,523)	9,102
Accounts payable and accrued expenses	658	(347,321)
Payable to CCSU	(1,359,600)	(70,583)
Payable to Alumni Association	21,337	-
Net cash provided by operating activities	2,017,471	199,029
Cash flows from investing activities		
Proceeds from sale of investments	31,100,526	13,860,671
Purchase of investments	(35,638,062)	(14,215,365)
Proceeds from life insurance policy	164,149	-
Net cash used in investing activities	(4,373,387)	(354,694)
Cash flows from financing activities		
Contributions designated for long-term investment	1,673,252	419,833
Net (decrease) increase in cash	(682,664)	264,168
Cash, beginning	2,924,975	2,660,807
Cash, end	$ 2,242,311	$ 2,924,975

See Notes to Financial Statements.

Note 1 - Nature of activities

The CCSU Foundation, Inc. (the "Foundation") operates exclusively for charitable and educational purposes. The Foundation was formed for the purpose of supplementing institutional enrichment, student support, university programs and academic enrichment of the Central Connecticut State University (the "University" or "CCSU"). The Foundation solicits donations of monies, securities or properties, and acts as custodian for funds and property received. The Foundation then disburses such funds, property, or the income therefrom in aiding, supplementing, improving, and enlarging the educational, cultural and research facilities and activities of the University.

Note 2 - Summary of significant accounting policies

Basis of presentation

The Foundation's financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. The Foundation reports information regarding its activities and net assets in two classes of net assets as follows: net assets with and without donor restrictions.

Net assets, revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified as follows:

Net assets without donor restrictions

Net assets without donor restrictions - Net assets without donor restrictions represent available resources other than donor-restricted contributions. Included in net assets without donor restrictions are funds that may be earmarked for specific purposes.

Board-designated net assets - Net assets established by the Board of Directors, which represent unrestricted funds set aside for future needs of the Foundation.

Net assets with donor restrictions

Net assets with donor restrictions - Net assets subject to donor- (or certain grantor-) imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

Summarized comparative information

The statements of financial position, activities and changes in net assets, functional expenses, and cash flows include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Foundation's financial statements for the year ended which the summarized information was derived.

Tax-exempt status

The Foundation is exempt from federal income taxes under subcategory of 509(a)(1) and 170(b)(1)(A)(vi) of the provisions of Internal Revenue Code Section 501(c)(3). However, certain operations of the Foundation may qualify as unrelated business taxable income and to the extent that these operations generate income, they will be subject to federal and state taxes.

Management has analyzed the tax positions taken by the Foundation and has concluded that, as of June 30, 2025, there are no uncertain tax positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Foundation's federal and state informational returns prior to fiscal year 2022 are closed and management continually evaluates expiring statutes of limitations, audits, proposed settlements, changes in tax law and new authoritative rulings. The Foundation has no unrecognized tax benefits at June 30, 2025.

If the Foundation had unrelated business income taxes, it would recognize interest and penalties associated with any tax matters as part of the income tax provision and include accrued interest and penalties with the related tax liability in the statement of financial position.

Use of estimates
The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Investment valuation and income recognition
Investments in equity securities with readily determinable fair values and all debt securities are carried at fair value.

Investment income and realized and unrealized gains and losses, net of investment expenses, are recorded in the statement of activities and changes in net assets as net assets without donor restrictions, unless restricted by donor stipulation or by operation of law.

Investment income and realized and unrealized gain or losses are allocated quarterly on the basis of fund balances. If a realized or unrealized loss results in a donor-restricted balance below what is required to be maintained in perpetuity, the underwater fund is reimbursed from future gains. Underwater endowments consisted of the following as of June 30, 2025:

	Number of funds underwater	Fair value	Original gift	Amount of deficiencies
2025	2	$ 46,791	$ 63,005	$ (16,214)

Contributions
Transactions where the resource provider does not receive commensurate value are deemed to be contributions. Contributions are classified as either conditional or unconditional. A conditional contribution is a transaction where the Foundation has to overcome a barrier or hurdle to be entitled to the resource and the resource provider is released from the obligation to fund or has the right of return of any advanced funding if the Foundation fails to overcome the barrier. The Foundation recognizes the contribution revenue upon overcoming the barrier or hurdle. Any funding received prior to overcoming the barrier is recognized as refundable advance. Unconditional contributions are recognized as revenue and receivable when the commitment to contribute is received.

Conditional and unconditional contributions are recorded as either with donor restrictions or without donor restrictions. Contributions are recognized as contributions with donor restrictions if they are received with donor stipulations that limit the use of the donated asset or are restricted for time. Contributions received with no donor stipulations are recorded as contributions without donor restrictions. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified as net assets without donor restrictions and are reported in the statement of activities and changes in net assets as net assets released from restrictions.

Contract revenue recognition

Revenue for event program fees is recognized at a point in time when control of the promised service is transferred to the Foundation's customers in an amount that depicts the consideration the Foundation expects to be entitled to in exchange for those services. Revenue is not recognized unless collectability under the contract is considered probable, the contract has commercial substance and the contract has been approved. Additionally, the contract must contain payment terms, as well as the rights and commitments of both parties.

When the resource provider receives commensurate value in return for the resources transferred to the Foundation, the revenue is accounted for as an exchange transaction in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Update ("ASU") 2014-09, *Revenue from Contracts with Customers*. Revenue from grants and contracts that is accounted for as exchange transactions is recognized when performance obligations have been satisfied. Cash received in advance of meeting performance obligations is recorded as deferred revenue.

The Foundation's payment terms vary by the type of services offered. The Foundation's standard payment terms generally align with the timing of the services performed and do not include a financing component. The Foundation has the unconditional right to consideration as it satisfies the performance obligations; therefore, no contractual assets are recognized.

Promises to give

Promises to give due in more than one year are recognized at fair value, using present value techniques and the current discount rate at the time of the promise to give to the Foundation.

Management evaluates the need for an allowance for doubtful accounts based upon factors surrounding the creditworthiness of the donor, historical collection trends and current economic conditions. Promises to give which are determined to be uncollectible are charged against bad debt expense.

Other asset

The Foundation purchased a parcel of land. The Foundation intends to transfer the land to the University. Additionally, during the year ended June 30, 2024, the Foundation paid for the building of a pavilion. The pavilion is owned by the Foundation who is in the process of transferring ownership to the University.

Interest in perpetual trusts

The Foundation is one of several income beneficiaries of two trusts. The Foundation regularly receives income distributions from the trusts, the amounts of which are recorded as investment income with donor restrictions from perpetual trust in the statement of activities and changes in net assets. Income received with respect to the trusts was $23,538 for the year ended June 30, 2025. The change in the value of the trusts was a gain of $39,510 during the year ended June 30, 2025. The principal for the trusts is controlled by bank trustees independent of the Foundation.

Custodial fees

The Foundation charges a custodial fee to class accounts and specified activities equal to three quarters of one percent (0.75%) of the five-year average of the quarterly market value of the fund or $25, whichever is greater, as long as a deficit in the fund is not created. Custodial fees totaled $634,959 for the year ended June 30, 2025. These fees are utilized to provide for the general operations of the Foundation and are eliminated in the statement of activities and changes in net assets.

Functional expense allocation

The statement of functional expenses presents the natural classification detail of expenses by function. Donated services are allocated based upon time spent. The Foundation directly allocates all other costs among the programs and supporting services benefited.

Endowment and spending policy

To satisfy its long-term rate of return objectives, the Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Foundation targets a diversified asset allocation, which is approved by the Board of Directors, and assumes a moderate level of investment risk to achieve its long-term return objectives within prudent risk constraints.

The Foundation's investment and spending policy over endowment assets attempts to provide a predictable stream of funding while seeking to maintain the purchasing power of the assets. All appropriations are approved by the Board of Directors. This is consistent with the Foundation's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term, as well as to provide additional real growth through new gifts and investment return.

The Foundation has a policy of appropriating for distribution each year 5% of the endowment fund's five-year average of the quarterly market value inclusive of fees. In establishing this policy, the Foundation considered the long-term expected return on its endowment. Accordingly, over the long-term, the Foundation expects the current spending policy to allow its endowment to earn a total return, net of fees, of 5% in excess of the Higher Education Price Index. Accordingly, over the long-term, the Foundation expects the current spending policy to allow its endowment to preserve and grow its real value. This is consistent with the Foundation's objective to maintain the purchasing power of the endowment assets.

Distributions allowed in accordance with the spending policy were $3,388,953. Actual distributions were $2,751,858 for the year ended June 30, 2025.

Collections

The Foundation capitalizes its collection of artwork (see Note 9). Accessions are capitalized at cost if purchased and at fair value at date of accession if received by donation. Gains and losses on deaccessions of donated artwork are reported as changes in net assets based on the presence or absence of donor restrictions. Artwork is protected, kept unencumbered, cared for and preserved. The Foundation's policy requires that proceeds from the sale of collection items or insurance proceeds be used solely for acquisition of other collection items, the direct care of existing collections, or another appropriate purpose as approved by the Board of Directors. Direct care includes the costs related to the security of the collection and of providing adequate protection from heat, light, sun, water and any other environmental issue that would be detrimental to the long-term safety of the collection. Costs of purchasing collection items are recognized as an expense in the year of acquisition; proceeds from sale and insurance recoveries are recognized as revenue in the year of sale or loss.

Donated services
Donated services are recognized in the financial statements if the services received require specialized skills, are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. Certain services donated to the Foundation by community volunteers do not meet the above criteria and, therefore, are not recognized in the financial statements.

Subsequent events
Management has reviewed subsequent events through October 30, 2025, which is the date the financial statements were approved and available for issuance.

Note 3 - Concentrations

Credit risk
Financial instruments which potentially subject the Foundation to concentrations of credit risk consist primarily of cash and cash equivalents, receivables, and investments. The Foundation maintains its cash and cash equivalents with high-credit quality financial institutions. At times, such amounts may exceed federally insured limits. At June 30, 2025, the Foundation had $653,597 in excess of the federally insured limit.

The Foundation's investments are held in its name at SEI Private Trust Company ("SEI"), a regulated trust institution. These assets are not covered by Securities Investor Protection Corporation (SIPC) insurance. SEI does not commingle, pledge, or lend client assets, and maintains segregated accounts subject to regular audits and regulatory oversight by the Office of the Comptroller of the Currency.

Concentrations of credit risk with respect to donations and grants are limited due to the large number of contributors to the Foundation comprised of individuals, corporations, and foundations primarily in the State of Connecticut.

Market risk
The Foundation's investments are in fixed income and equity securities placed with a wide array of companies and funds. This investment policy limits the Foundation's exposure to concentrations of credit risk.

Donor concentration
The Foundation received approximately 10% of its revenue from one donor for the year ended June 30, 2025.

Note 4 - Available resources and liquidity

The Foundation regularly monitors liquidity required to meet is operating needs and other contractual commitments, while also striving to maximize the investment of its available funds.

As of June 30, 2025, the Foundation has the following financial assets available to meet annual operating needs for the 2026 fiscal year:

Cash	$ 2,242,311
Investments	105,692,985
Other receivables	34,693
Promises to give	751,906
Total financial assets	108,721,895
Less	
Funds restricted due to time or purpose	48,991,390
Funds to be used in perpetuity	57,528,543
Add	
Spendable amount per spending policy for 2026	3,565,904
Financial assets accessible by management in the next year	$ 5,767,866

Donor funds restricted to time or purpose anticipated to be used after one year may be used in the next year as long as the purpose or time restriction is met. Upon approval of the Board, the board-designated funds may be repurposed and used within any year. Additionally, the Board may approve the use of additional endowment investment earnings above the spending policy. However, prudent investment management must be considered to ensure the preservation of the funds for future use.

Note 5 - Promises to give

Unconditional promises to give are classified as with or without donor restrictions depending on the existence and/or nature of any donor restriction. Unconditional promises to give consisted of the following at June 30, 2025:

In one year or less	$ 258,950
One to five years	505,895
More than five years	71,569
	836,414
Less allowance for uncollectible amounts	(64,437)
Less discount at 1.03%	(20,071)
Total	$ 751,906

Approximately 58% of promises to give are from three donors.

Note 6 - Investments

Investments consisted of the following at June 30, 2025:

Money market	$	354,180
Domestic equities		12,850,919
International equities		1,306,293
Mutual funds		
Domestic equities		24,037,585
International equities		21,834,955
Fixed income		25,466,500
Alternative investments		19,842,553
Total	$	105,692,985

Note 7 - Fair value measurements

The Foundation values its financial assets and liabilities based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In order to increase consistency and comparability in fair value measurements, a fair value hierarchy prioritizes observable and unobservable inputs used to measure fair value into three broad levels, which are described below:

Level 1: Quoted prices (unadjusted) in active markets that are accessible at the measurement date for identical assets or liabilities. The fair value hierarchy gives the highest priority to Level 1 inputs.

Level 2: Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in inactive markets; or model-derived valuations in which all significant inputs are observable or can be derived principally from or corroborated with observable market data. If the asset or liability has a specified (contractual) term, a Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3: Unobservable inputs are used when little or no market data is available. The fair value hierarchy gives the lowest priority to Level 3 inputs.

In determining fair value, the Foundation utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible as well as considers counterparty credit risk in its assessment of fair value.

Financial assets carried at fair value as of June 30, 2025 are classified in the table below in one of the three categories described above:

	Level 1	Level 2	Level 3	NAV	Total
Cash and equivalents	$ 354,180	$ -	$ -	$ -	$ 354,180
Domestic equities	12,850,919	-	-	-	12,850,919
International equities	1,306,293	-	-	-	1,306,293
Mutual funds					
Domestic equities	24,037,585	-	-	-	24,037,585
International equities	21,834,955	-	-	-	21,834,955
Fixed income	25,466,500	-	-	-	25,466,500
Alternative investments	-	-	-	19,842,553	19,842,553
Beneficial interest in trusts	-	-	671,698	-	671,698
Total	$ 85,850,432	$ -	$ 671,698	$ 19,842,553	$ 106,364,683

Valuation techniques

Equities and mutual funds - These investments are valued using market prices on active markets ("Level 1"). Level 1 instrument valuations are obtained from real-time quotes for transactions in active exchange markets involving identical assets. Mutual funds are valued at the daily closing price as reported by the fund. Mutual funds held by the Foundation are open-end mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value ("NAV") and to transact at that price. The mutual funds held by the Foundation are deemed to be actively traded.

Alternative investments - These investments are based on the NAV as a practical expedient. Funds may be redeemed at or near the measurement date. Funds in this category include private equity and hedge funds.

Beneficial interest in trusts - The value is determined by the Foundation's ownership percentage of the fair value of the underlying assets of the trust.

There were no transfers, purchases, or issuances of the Foundation's Level 3 financial instruments during the year ended June 30, 2025.

Fair value of investments in entities that use NAV

The following table summarizes investments measured at fair value based on NAV per share as of June 30, 2025:

	SEI Core Property Fund LP	SEI GPA III Private Equity Fund	SEI GPA IV Private Equity Fund	SEI GPA V Private Equity Fund	SEI Special Situations Fund Ltd
Fair value	$ 5,495,899	$ 1,466,925	$ 2,728,511	$ 2,821,690	$ 7,329,528
Unfunded commitments	$ -	$ 786,239	$ 632,410	$ 1,154,666	$ -
Redemption frequency	Quarterly*	n/a	n/a	n/a	Semi-Annual**
Redemption notice period	105 days (a)	n/a	n/a	n/a	95 days (a)

* via redemption request and may be subject to queue at the discretion of the advisor
**via redemption process; redemptions can be gated to 20% by the fund board
(a) 10% holdback on final payment until completion of fund audit

There were no changes in the valuation techniques and related inputs.

The preceding methods may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although management believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Note 8 - Cash surrender value of life insurance

Certain donors purchased insurance policies with the Foundation as the owner and beneficiary of the policies. The policies are fully paid and require no premiums. During the year ended June 30, 2025, the Foundation received $164,149 in life insurance proceeds. The Foundation, as owner of the policies, has recorded cash surrender value of $33,040 as of June 30, 2025.

Note 9 - Art collection

The Foundation has adopted the policy of capitalizing collections of artwork in its financial statements. The Foundation holds the Sol Lewitt and the Chen art collections valued at $57,000.

Note 10 - Payable to Alumni Association

A memorandum of understanding, as amended on October 28, 1986, exists between the Foundation and the CCSU Alumni Association stating that 50% of the unrestricted Alumni contributions (net of expenses) raised during the year will be turned over to the Alumni Association. There was $21,337 due to the CCSU Alumni Association at June 30, 2025.

Note 11 - Board-designated net assets

The Board has designated $32,431 to be endowed and used for scholarships.

Note 12 - Net assets with donor restrictions

Net assets subject to expenditure for specified purposes:

Institutional enrichment	$ 2,588,645
Student support	29,890,528
University support	3,547,088
Academic enrichment	12,965,129
Total	$ 48,991,390

Net assets restricted in perpetuity include:

Institutional enrichment	$ 1,677,302
Student support	44,501,801
Academic enrichment	11,349,440
	57,528,543
Total donor-restricted net assets	$ 106,519,933

Promises to give in perpetuity will be recorded in the endowment upon receipt of the payment of the promise.

Note 13 - Net assets released from restrictions

Net assets with donor restrictions were released from donor restrictions during the year by incurring expenses satisfying the restricted purpose specified by the donor or by passage of time. The net assets with donor restrictions released from restrictions related to the following:

Institutional enrichment	$ 123,966
Student support	3,177,238
University support	991,452
Academic enrichment	776,119
Total	$ 5,068,775

Note 14 - Related party

The Foundation holds primary responsibility for investing and administering endowment funds established to benefit the University. It may also assist the University in identifying fundraising opportunities that further its mission. In addition, the Foundation serves as the steward of all endowment funds, ensuring their proper management and alignment with donor intent. The Foundation maintains a renewable letter of agreement between the Foundation and the University. Their current agreement was signed on February 14, 2022 and remains effective for a period of five years. This agreement specifies that the Foundation is an independent entity from the University while working only to serve the interests of the University.

Payments made by the Foundation to support the University's mission are classified as program services in the statement of activities. To ensure proper use of scholarship funds by students, the Foundation disburses such funds directly to the University. Amounts disbursed by the Foundation in support of the University were $4,503,401 and related payables were $220,797 for the year ended June 30, 2025.

The University contributed nonfinancial assets to the Foundation in the amount of $1,502,519. These services were used for student support, administration and fundraising. They were valued at the University employees' time and benefit amounts for services performed for the Foundation. The services were utilized by the Foundation and did not have any donor restrictions.

Note 15 - Endowment

Endowment net asset composition and changes in net assets by type of fund as of and for the year ended June 30, 2025 are as follows:

		With donor restrictions		
	Without donor restrictions	Time or purpose restricted	Restricted in perpetuity	Total
Endowment net asset composition				
Donor-restricted endowment funds	$ -	$ 42,456,971	$ 56,320,556	$ 98,777,527
Board-designated endowment funds	32,431	-	-	32,431
	$ 32,431	$ 42,456,971	$ 56,320,556	$ 98,809,958
Change in endowment net assets				
Endowment net assets, beginning of year	$ 191,233	$ 36,111,737	$ 55,139,723	$ 91,442,693
Investment return				
Investment income, net	11,314	5,506,455	-	5,517,769
Net realized and unrealized appreciation	1,529	3,561,793	-	3,563,322
Contributions	-	-	1,180,833	1,180,833
Amounts appropriated for expenditure	-	(2,751,858)	-	(2,751,858)
Other changes	(171,645)	28,844	-	(142,801)
Endowment net assets, end of year	$ 32,431	$ 42,456,971	$ 56,320,556	$ 98,809,958

The Foundation's endowment includes various donor-restricted endowment funds. As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions. The Board of Directors has interpreted the Connecticut Uniform Prudent Management of Institutional Funds Act ("CTUPMIFA") as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies as net assets with donor restrictions restricted in perpetuity as (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in net assets with donor restrictions restricted in perpetuity is classified as net assets with donor restrictions restricted by time or purpose until those amounts are appropriated for expenditure by the Board of Directors in a manner consistent with the standard of prudence prescribed by CTUPMIFA.

In accordance with CTUPMIFA, the Foundation considers the following factors in deciding to appropriate or accumulate donor-restricted endowment funds:

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

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