

Connecticut State Universities

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# Financial Statements

**for the year ended June 30, 2025**

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



# **Connecticut State Universities**

## **Financial Statements**

**For the Year Ended June 30, 2025**

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

*Prepared by the Office of the Controller*

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## **INTRODUCTORY SECTION**

**Connecticut State Colleges and Universities**  
**Members of the Board of Regents for Higher Education**  
**As of June 30, 2025**

**APPOINTED BY THE GOVERNOR**

Martin C. Guay, Chair  
Juanita James, Vice Chair  
Ira Bloom  
Delwyn Cummings  
Richard Porth  
Ari Santiago  
Elease E. Wright  
Ted Yang

**APPOINTED BY LEGISLATIVE LEADERS**

Richard J. Balducci  
Sophia Jappinen  
Erin Stewart

**APPOINTED BY STUDENTS**

Luis Sanchez  
Shian Earlington

*As of June 30, 2025 there were two vacancies: one Governor Appointee and one Legislative Appointee.*

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

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

**Connecticut State University Presidents  
As of June 30, 2025**

**Dr. Zulma Toro, President**

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

**Dr. Karim Ismaili, President**

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

**Dr. Dwayne Smith, Interim President**

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

**Dr. Manohar Singh, Interim President**

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

**Terrence Cheng, CSCU Chancellor**

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

## **FINANCIAL SECTION**

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**GRANT THORNTON LLP**

53 State St., 16th Floor  
Boston, MA 02109

**D** +1 617 723 7900

**F** +1 617 723 6340

**REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS**

The Board of Regents of  
Connecticut State Colleges and Universities

**Opinions**

We have audited the financial statements of the business-type activities (the System Office; Central Connecticut State University; Eastern Connecticut State University; Southern Connecticut State University, and Western Connecticut State University) and aggregate discretely presented component units of the Connecticut State University System, an enterprise fund of the State of Connecticut (collectively the “Entity”), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Entity’s basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the reports of the other auditors, the accompanying financial statements present fairly, in all material respects, the respective financial position of the business-type activities and the aggregate discretely presented component units of the Entity as of June 30, 2025, and the respective changes in financial position and where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the aggregate discretely presented component units (the affiliated foundations (the “Foundations”)), whose statements reflected total assets of \$237 million and total net assets of \$235 million as of June 30, 2025, and total revenues and support of \$38 million for the year then ended. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion insofar as it relates to the amounts included for the Foundations, is based solely on the reports of other auditors.

**Basis for opinion**

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

**Emphasis of Matters***Presentation*

As discussed in Note 1, the financial statements present only the Entity, an enterprise fund of the State of Connecticut and do not purport to, and do not present fairly, the financial position of the State of Connecticut as of June 30, 2025, the changes in its

financial position or where applicable, its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

*Change in accounting method*

As discussed in Note 1 to the financial statements, the Entity was required to change its method of accounting for net pension and OPEB liabilities and deferrals in the year ended June 30, 2025.

Our opinion is not modified with respect to these matters.

**Responsibilities of management for the financial statements**

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Entity's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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

In performing an audit in accordance with US GAAS, we:

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

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Entity's ability to continue as a going concern for a reasonable period of time.

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

#### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the accompanying Management's Discussion and Analysis on pages 10 through 19 and the Schedule of Net Pension Liability and Related Ratios, Schedule of Net Post Employment Benefits and Related Ratios, and Schedule of Contributions on pages 47 through 51 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a required part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with US GAAS. These limited procedures consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### **Supplementary information**

Our audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Entity's basic financial statements. The supplementary Combining Schedule of Net Position, Combining Schedule of Revenues, Expenses, and Changes in Net Position, and Combining Schedule of Cash Flows included on pages 53 through 58 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audits of the basic financial statements and certain additional procedures. These additional procedures included comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with US GAAS. In our opinion, the accompanying supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

*Grant Thornton LLP*

## INTRODUCTION

Management's Discussion and Analysis ("MD&A") provides an overview of the financial position and results of activities of the Connecticut State University System ("CSUS" or "System") for the fiscal year ended June 30, 2025 with selected comparative information from fiscal year 2024. This discussion has been prepared by and is the responsibility of management and should be read in conjunction with the financial statements and footnote disclosures.

### **Reporting Entity**

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

CSUS is a state-wide public university system of higher learning in the State of Connecticut with approximately 27,900 enrolled students. The Universities offer high-quality applied educational doctoral, graduate and undergraduate programs in more than 150 subject areas and provide extensive opportunities for internships, community service and cultural engagement. In total, CSUS employed approximately 3,000 full time employees at June 30, 2025.

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

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

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

### **Financial Statements**

CSUS's financial report includes the following financial statements and related footnotes: the Statement of Net Position, the Statement of Revenues, Expenses and Changes in Net Position and the Statement of Cash Flows. These financial statements are prepared in accordance with accounting principles generally accepted in the United States of America as defined by the Governmental Accounting Standards Board ("GASB"). As required by GASB Statements No. 34 and 35, fiscal year 2025 financial data is presented, both for the CSUS *primary institution*, as well as for certain other organizations that have a significant related party relationship with CSUS (the "component units").

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

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

### **Key Reporting Changes**

In June 2023, the Connecticut General Assembly passed a state budget for the 2024 and 2025 biennium that changed the way fringe is paid for institutions of higher education. Effective July 1, 2023, the State directly funds CSUS employee benefit retirement costs, which are therefore no longer charged to CSUS through a fringe benefit rate assessment, and CSUS funds all non-retirement employee fringe costs. A reduction in appropriations to CSUS is also a result of the State directly covering retirement-related costs for all eligible CSUS employees. Beginning in fiscal year 2025, CSUS no longer recognize net pension and Other Postemployment Benefits (OPEB) liabilities and deferrals. See Notes 13, 14 and 15 for details.

### **Financial Summary**

The Connecticut State University System had total assets of \$1.9 billion, liabilities of \$450 million, and a total net position balance of \$1.44 billion at June 30, 2025. Of the total net position balance, \$407 million is classified as unrestricted net position, a \$2.01 billion increase from 2024. The increase in total net position is primarily attributable to a \$1.97 billion increase resulting from the derecognition of pension and OPEB liabilities and deferrals (see Note 15). The remaining \$43.2 million increase resulted from a combination of factors including an increase in enrollment that contributed to a \$10.5 million increase in net tuition and fees and a \$12.7 million increase in auxiliary revenues. These factors and other changes are further detailed in the following sections of the MD&A.

### **STATEMENT OF NET POSITION**

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

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

	<u>2025</u>	<u>2024</u>	<u>% Change</u>
<b>ASSETS</b>			
Current assets	\$ 433.0	\$ 396.8	9.1%
Non-current assets:			
Capital assets, net	1,232.3	1,267.2	(2.8%)
Other	218.5	247.6	(11.8%)
Total assets	<u>1,883.8</u>	<u>1,911.6</u>	<u>(1.5%)</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	3.4	226.4	(98.5%)
<b>LIABILITIES</b>			
Current liabilities	140.1	149.9	(6.5%)
Non-current liabilities	309.5	1,749.5	(82.3%)
Total liabilities	<u>449.6</u>	<u>1,899.4</u>	<u>(76.3%)</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	1.5	774.3	(99.8%)
<b>NET POSITION</b>			
Net investment in capital assets	972.7	998.1	(2.5%)
Restricted nonexpendable	0.6	0.6	0.0%
Restricted expendable	55.5	68.1	(18.4%)
Unrestricted	407.3	(1,602.5)	125.4%
Total net position (deficit)	<u>\$ 1,436.1</u>	<u>\$ (535.7)</u>	<u>368.1%</u>

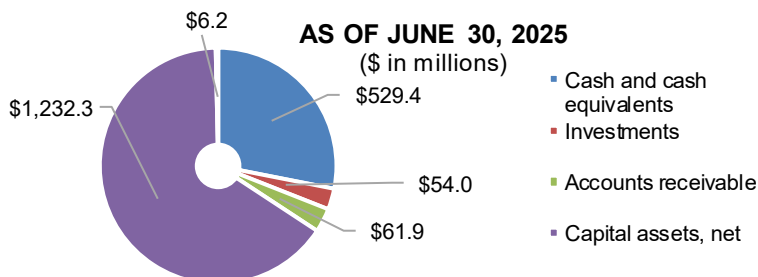
**Assets**

Total assets decreased by \$27.8 million in fiscal year 2025 due to the following:

*Current assets* consist of cash, cash equivalents, investments, accounts receivable, and other assets and at June 30, 2025 were \$433.0 million, a \$36.2 million increase from 2024. This was primarily due to an increase of cash of \$50.9 million offset by a decrease in investments of \$13.3 million. The decrease in investments is primarily driven by bond principal payments of \$21.4 million that are partly offset by investment income. The increase in current cash of \$50.9 million is primarily due to a \$53.3 million change between current and noncurrent cash. The System Office's State STIF account used to set aside funds for future debt service payments has accumulated over the years attaining \$101.8 million as of June 30, 2025. On June 26, 2025, the Board of Regents approved that \$28.3 million of System Office reserves invested in the State STIF account be used to provide relief to universities in fiscal year 2026. An additional \$25.0 million will be transferred out of the STIF account in fiscal year 2026 to fund capital projects.

*Total non-current assets* at June 30, 2025 of \$1.5 billion decreased by \$64.0 million primarily due to a net \$34.9 million decrease in capital assets and a decrease in cash and cash equivalents of \$28.6 million. The decrease in net capital assets was driven by \$78.6 million in depreciation and amortization expense that was partially offset by additions of \$45.6 million primarily related to building and building improvement projects. During fiscal year 2025 the Elihu Burritt Library renovation and addition at CCSU was completed and there were infrastructure projects in process that included exterior masonry work and HVAC upgrades.

The following graph shows total assets by major category:



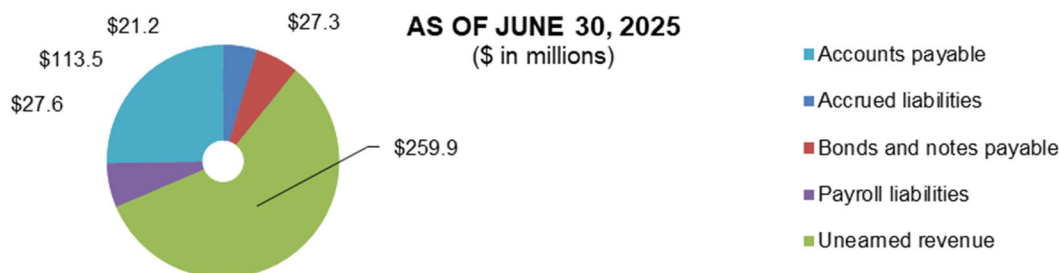
**Liabilities**

Total liabilities decreased by \$1.4 billion in fiscal year 2025 due to the following:

*Current liabilities* at June 30, 2025 of \$140.1 million decreased by \$9.8 million. The primary factors for the decrease were a \$10.2 million decrease in unearned tuition and grant revenue and a \$2.2 million decrease in current subscription liabilities, partially offset by a \$2.3 million increase in accounts payable and a \$1.2 million decrease in accrued salaries and benefits. The changes in accounts payable and unearned grant revenue were due to timing.

*Non-current liabilities* at June 30, 2025 of \$309.5 million decreased by \$1.4 billion which is primarily due to the derecognition of the pension and OPEB liabilities of \$554.4 million and \$862.3 million, respectively (see Note 15). Bonds payable also decreased in fiscal year 2025 due to \$21.4 million in principal debt service payments.

The following graph shows total liabilities by major category:



**Deferred Outflows and Deferred Inflows of Resources**

*Deferred outflows and inflows of resources* are related to future periods. Deferred outflows represent the difference between the reacquisition price and the net carrying amount of old debt, and deferred inflows are amounts relating to lease receivables.

## NET POSITION

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

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

*Unrestricted net position (UNP)* represents funds available to support CSUS activities and operations at the discretion of the Board of Regents, the President, and the University Presidents. Prior to 2025, unrestricted net position was negative due to the System's share of the State's pension plan's net pension liability and OPEB. Beginning in 2025, the System no longer records liabilities for pension and OPEB (See Note 15). Although unrestricted net position is not subject to externally imposed restrictions, substantially all of the System's reserves are allocated for academic initiatives or programs and for capital and other purposes, including University fee receipts and parking fee receipts that have been designated by universities to meet debt service obligations. Excluding the impact of the change in unrestricted net position related to the change in net pension and OPEB liabilities, unrestricted net position increased \$43.2 million from 2024 to 2025.

The table below illustrates the effects of GASB 68 and GASB 75 on the CSUS's net position at June 30, 2025 (\$ in millions):

	<b>2025</b>	<b>2024</b>	<b>% Change</b>
<b>NET POSITION</b>			
Net investment in capital assets	\$ 972.7	\$ 998.1	(2.5%)
Restricted nonexpendable	0.6	0.6	0.0%
Restricted expendable	55.5	68.1	(18.5%)
Unrestricted	407.3	(1,602.5)	125.4%
Total net position (deficit)	1,436.1	(535.7)	368.1%
Pension and OPEB Impact (GASB 68 and 75)	-	1,966.6	(100.0%)
Total Net Position, Excluding Pension and OPEB	<u>\$ 1,436.1</u>	<u>\$ 1,430.9</u>	<u>0.4%</u>
Unrestricted Net Position, Excluding Pension and OPEB	\$ 407.3	\$ 364.1	11.9%

## CAPITAL AND RELATED DEBT ACTIVITIES

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

	<b>2025</b>	<b>2024</b>	<b>% Change</b>
Land	\$ 19.7	\$ 19.7	0.0%
Buildings & improvements	2,159.3	2,109.3	2.4%
Land improvements	112.5	111.7	0.7%
Furniture, fixtures & equipment	156.5	152.8	2.4%
Library books and collections	20.2	21.0	(3.8%)
Right of use assets	27.5	32.4	(15.1%)
Construction in progress	24.9	42.7	(41.7%)
Total capital assets	<u>2,520.6</u>	<u>2,489.6</u>	<u>1.2%</u>
Less accumulated depreciation and amortization	<u>1,288.3</u>	<u>1,222.4</u>	<u>5.4%</u>
Capital assets, net	<u>\$ 1,232.3</u>	<u>\$ 1,267.2</u>	<u>(2.8%)</u>

In addition to its capital plan for academic and related facilities that are supported by State general obligation bonds, the System is in the thirtieth year of its long-range capital plan for the renovation and development of auxiliary service facilities. There were no new Connecticut Health & Educational Facilities Authority (CHEFA) bond issuances during 2024 or 2025.

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

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

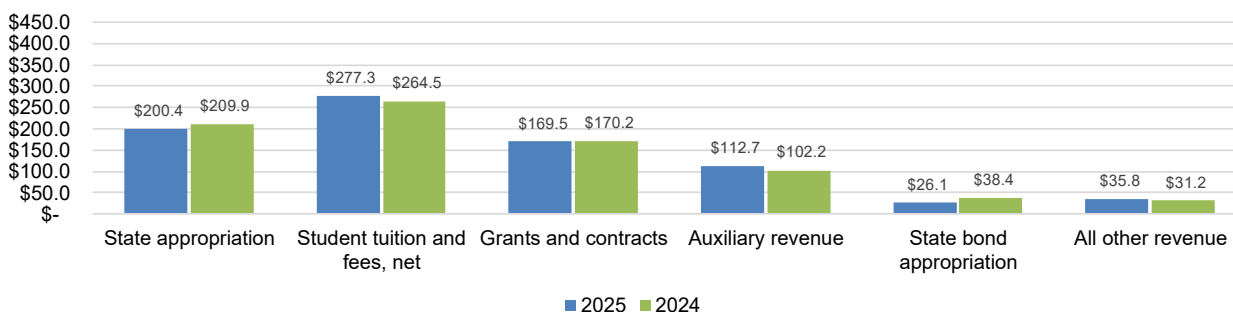
The following table shows a Condensed Schedule of Revenues, Expenses, and Changes in Net Position for the fiscal years ended June 30 (\$ in millions):

	<b>2025</b>	<b>2024</b>	<b>% Change</b>
<b>OPERATING REVENUES</b>			
Tuition and fees, net	\$ 277.3	\$ 264.5	4.8%
Auxiliary revenues	112.7	102.2	10.3%
Grants and indirect cost recoveries	48.9	39.0	25.4%
Other	8.5	5.5	54.5%
Total operating revenues	<u>447.4</u>	<u>411.2</u>	<u>8.8%</u>
<b>OPERATING EXPENSES</b>			
Expenses before depreciation and amortization	738.1	712.5	3.6%
Depreciation and amortization	78.5	78.4	0.1%
Total operating expenses	<u>816.6</u>	<u>790.9</u>	<u>3.2%</u>
Operating loss	<u>(369.2)</u>	<u>(379.7)</u>	<u>2.8%</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>			
State appropriations - general fund	200.4	209.9	(4.5%)
State appropriations - bond fund	26.1	38.4	(32.0%)
Pell grant revenue	55.0	44.4	23.9%
Federal emergency grant revenue	65.6	86.8	(24.4%)
Investment income	28.3	30.2	(6.3%)
Other	(1.0)	(4.6)	78.3%
Total non-operating revenues (expenses)	<u>374.4</u>	<u>405.1</u>	<u>(7.6%)</u>
<b>NET POSITION</b>			
Increase in net position before derecognition	5.2	25.4	(79.5%)
Derecognition of pension and OPEB	1,966.6	-	n/a
Change in net position	<u>1,971.8</u>	<u>25.4</u>	<u>7659.9%</u>
Net position, beginning of year	<u>(535.7)</u>	<u>(561.1)</u>	<u>4.5%</u>
Net position, end of year	<u>\$ 1,436.1</u>	<u>\$ (535.7)</u>	<u>368.1%</u>

**Revenues**

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

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

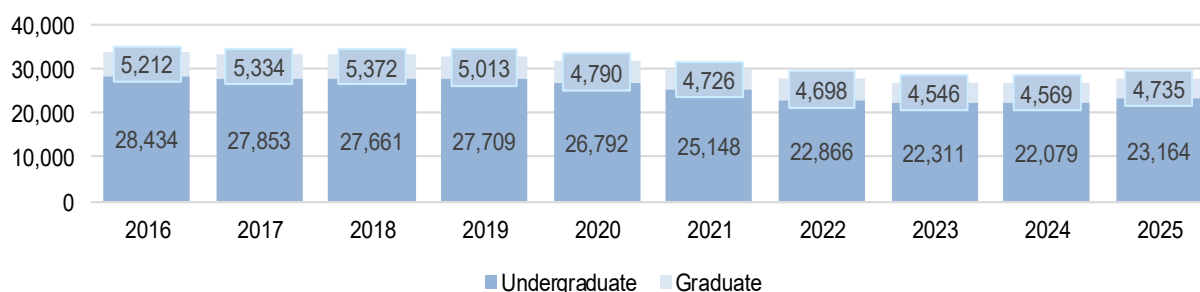


**Operating Revenues**

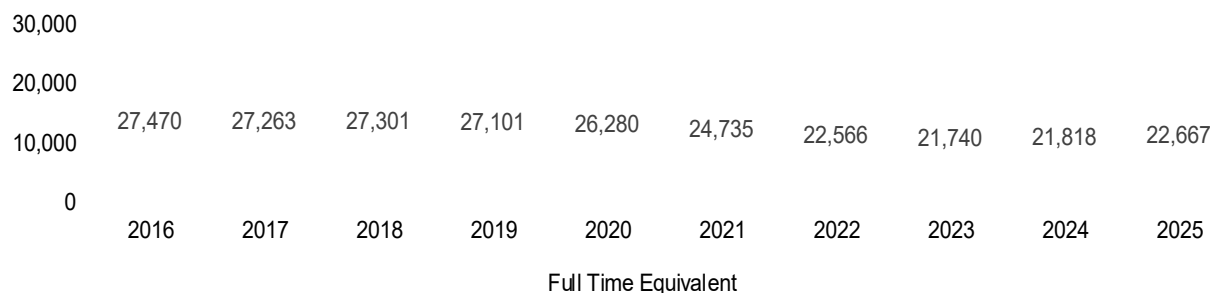
Total *operating revenues* for fiscal year 2025 were \$447.4 million after the reduction for scholarship allowances, an increase of \$36.2 million from fiscal year 2024. *Student tuition and fees* represent the largest portion of operating revenue on a gross basis but are offset by student financial aid and waivers of \$84.7 million, resulting in net tuition and fee revenue of \$277.3 million. On a gross basis, fiscal year 2025 tuition revenues increased by 8.9% from the previous year, the result of a 5.0% increase in tuition rates and a 3.9% increase in FTE credit enrollment from 21,818 in fall of fiscal year 2024 to 22,667 in fall of fiscal year 2025. Auxiliary revenues, which are mainly driven by room and board fees, increased by \$10.5 million, a 10.3% increase, due to increased enrollment combined with an increase in rates.

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

**FALL HEADCOUNT ENROLLMENT  
 10-YEAR COMPARISON**



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

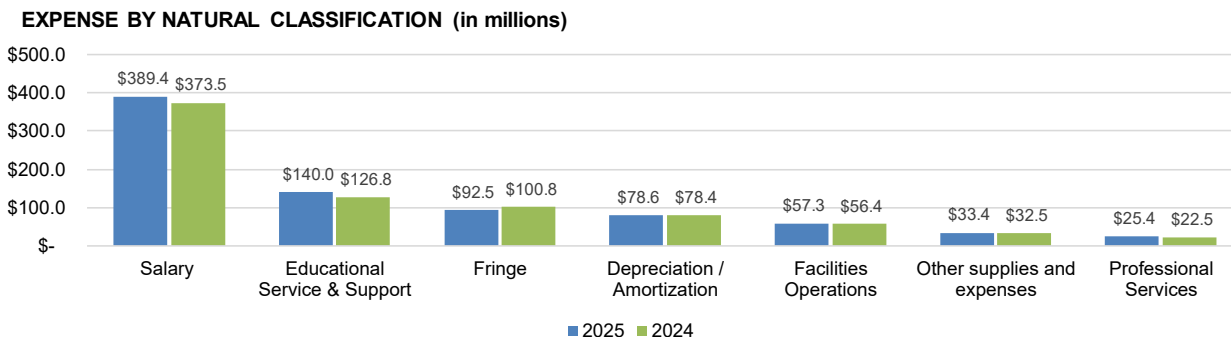


**Nonoperating Revenue and Expenses**

*Nonoperating revenue and expenses* includes state appropriations, certain federal grants, private gifts and donations, investment income, and interest expense. In fiscal year 2025, state appropriations of \$226.6 million were \$21.7 million lower than in fiscal year 2024. State appropriations are received for both operating and capital purposes. In fiscal year 2025, the majority of State appropriation dollars for operating purposes were used to fund salaries. Retirement related fringe benefits are paid for directly by the State. During both fiscal year 2025 and 2024 there were temporary funding allotments to provide additional operating support. Capital appropriations decreased \$12.3 million from fiscal 2024 as several bond funded projects have been completed. Federal emergency grant revenues are primarily from ARPA grants that have passed through to CSUS from the State of Connecticut. CSUS's allocation from the State's American Rescue Plan Program (ARPA) totaled \$64.3 million in fiscal year 2025 compared to \$83.4 million in fiscal year 2024. Investment income decreased by \$1.9 million primarily due to lower interest rates in fiscal year 2025.

## **Operating Expenses**

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



In fiscal 2025, total *operating expenses* less depreciation and amortization amounted to \$738.1 million, which was \$25.6 million higher than the prior fiscal year primarily due to increased salary and educational service & support expenses. The \$15.9 million increase in salary in fiscal 2025 was primarily due to wage increases set by collective bargaining agreements.

## **Other Changes in Net Position**

*Other changes in net position* include the derecognitions of pension and OPEB balances (See Note 15), state appropriations for capital purposes and loss on disposal of assets. The \$1.956 billion increase in fiscal 2025 to \$1.992 billion was primarily the result of the \$1.967 billion derecognition of pension and OPEB balances, partially offset by a \$12.3 million decrease in capital appropriations.

## **STATEMENT OF CASH FLOWS**

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

In addition to the operating activities section of the cash flows, there are four additional sections. The second section reflects cash flows from non-capital and financing activities including State appropriations and nonoperating grants and revenue other. This section includes the primary reasons for the \$24.6 decrease in net cash change from \$46.9 million in fiscal year 2024 to \$22.3 million in fiscal year 2025. Cash flows from State appropriations decreased \$20.3 million from \$223.0 million received in fiscal 2024 to \$202.7 million in 2025. Receipts for nonoperating grants and revenue other declined by \$9.7 million, a 7.3% reduction in cash received. The third section consists of cash flows from investing activities showing the proceeds, purchases, and investment income received from investing activities. The fourth section consists of cash flows from capital and related financing activities, and this section had a \$4.4 million decrease in net cash used that partially offset the overall net decrease in cash flows in fiscal year 2025. The \$4.4 million decrease in cash used was primarily the result of \$18.2 million less in cash expended for purchases of capital assets that was largely offset by a \$14.8 million decrease in State capital appropriations received. The final section is a reconciliation of the operating loss shown on the Statement of Revenues, Expenses, and changes in Net Position to net cash used in operating activities.

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

	<u>2025</u>	<u>2024</u>	<u>% Change</u>
<b>NET CASH PROVIDED BY (USED IN)</b>			
Operating activities	\$ (295.8)	\$ (299.0)	1.1%
Non-capital financing activities	330.6	360.4	(8.3%)
Investing activities	41.3	43.7	5.5%
Capital and related financing activities	<u>(53.8)</u>	<u>(58.2)</u>	<u>(7.6%)</u>
Net change in cash and cash equivalents	22.3	46.9	(52.5%)
<b>CASH AND CASH EQUIVALENTS</b>			
Cash and cash equivalents, beginning of year	<u>507.1</u>	<u>460.2</u>	<u>10.2%</u>
Cash and cash equivalents, end of year	<u>\$ 529.4</u>	<u>\$ 507.1</u>	<u>4.4%</u>

## ECONOMIC OUTLOOK

In June 2025, the Board of Regents approved a 2026 annual operating budget of \$755.1 million. The budget is supported by \$695.4 million in revenue and \$63.2 million from System Office and institutional reserves, resulting in a projected budget surplus of \$3.5 million.

The Board authorized \$28.3 million from System Office reserves to provide debt relief for residence hall and parking facilities obligations. In addition, the Board approved \$7 million in operational support for both Eastern and Western. After applying university and System Office reserves, all the universities are projected to achieve balanced budgets.

The budget projects gross tuition and fee revenue of \$376.6 million, a 4% increase from \$362.0 million for FY2025. This increase is driven by higher enrollment across the state universities, with no change in tuition and fee rates. Auxiliary revenues are expected to grow, with housing revenue up 6% and food services up 5%.

The approved State budget allocates \$195.8 million in appropriations to the state universities, including flat funding for developmental education and O'Neill Chair program at Central. The decline in state support—primarily due to the expiration of one-time funding represents a 26% (\$68 million) decrease from FY2025 levels.

Since the FY2025 mid-year review, several positive factors have improved the FY2026 projected net results. Most notably, all state universities have reported increased enrollment, driving higher revenue projections. In addition, universities continue to implement cost-mitigation strategies to offset the loss of one-time funding and manage ongoing inflationary pressures, partly by drawing on institutional reserves.

### Additional Information

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

	<u>2025</u>
<b>Assets</b>	
Current assets	
Cash and cash equivalents	\$ 344,096,642
Investments	24,395,774
Accounts receivable, net	19,647,878
Due from the State of Connecticut	38,679,325
Prepaid expenses and other current assets	<u>6,209,620</u>
Total current assets	<u>433,029,239</u>
Noncurrent assets	
Cash and cash equivalents	185,349,402
Investments	29,589,182
Accounts receivable, net	3,551,249
Other assets	1,748
Investment in capital assets, net	<u>1,232,303,813</u>
Total noncurrent assets	<u>1,450,795,394</u>
 Total assets	 <u>\$ 1,883,824,633</u>
 <b>Deferred outflows of resources</b>	
Deferred loss on bond refunding	<u>3,355,474</u>
Total deferred outflows of resources	<u>\$ 3,355,474</u>

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

	<u>2025</u>
<b>Liabilities</b>	
Current liabilities	
Accounts payable	\$ 20,902,858
Accrued salaries and benefits	46,952,000
Accrued compensated absences	4,497,258
Due to the State of Connecticut	286,672
Unearned tuition, fees and grant revenue	27,626,323
Bonds payable	22,175,000
Note payable	3,139,036
Accrued bond interest payable	1,217,830
Lease liabilities	335,721
Subscription liabilities	2,549,295
Other liabilities	2,792,683
Depository accounts	7,584,117
Total current liabilities	<u>140,058,793</u>
Noncurrent liabilities	
Accrued compensated absences	62,073,814
Bonds payable	222,057,330
Note payable	12,556,151
Federal loan program advances	1,151,451
Lease liabilities	449,851
Subscription liabilities	7,269,369
Other noncurrent liabilities	3,975,011
Total noncurrent liabilities	<u>309,532,977</u>
Total liabilities	<u>\$ 449,591,770</u>
<b>Deferred inflows of resources</b>	
Deferred lease inflows	\$ 1,526,118
Total deferred inflows of resources	<u>\$ 1,526,118</u>
<b>Net Position</b>	
Net investment in capital assets	\$ 972,737,288
Restricted	
Nonexpendable	545,495
Expendable	55,521,778
Unrestricted	407,257,658
Total net position	<u>\$ 1,436,062,219</u>

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

**Connecticut State University System**  
 Combined Statement of Financial Position – Component Units  
 Year Ended June 30, 2025

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	<u>2025</u>
<b>Assets</b>	
Cash and cash equivalents	\$ 14,152,710
Investments	213,655,332
Contributions and other receivables	4,140,564
Prepaid expenses and other assets	742,838
Beneficial interest in trusts	806,041
Land, buildings and equipment, net	3,436,263
Total assets	<u>\$ 236,933,748</u>
<b>Liabilities</b>	
Accounts payable and accrued expenses	1,534,105
Other liabilities	774,399
Total liabilities	<u>2,308,504</u>
<b>Net Assets</b>	
Without donor restrictions	16,182,492
With donor restrictions	218,442,752
Total net assets	<u>234,625,244</u>
Total liabilities and net assets	<u>\$ 236,933,748</u>

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

**Connecticut State University System**

## Statement of Revenues, Expenses and Changes in Net Position

Year Ended June 30, 2025

	<u>2025</u>
Operating revenues	
Tuition and fees	
Tuition and fees	\$ 361,979,181
Less	
Scholarships allowance	(55,701,677)
Waivers	(29,017,872)
Tuition and fees, net of scholarship allowances and waivers	<u>277,259,632</u>
Federal grants and contracts	23,687,545
State and local grants and contracts	15,824,601
Nongovernment grants and contracts	8,486,858
Indirect cost recoveries	1,036,260
Auxiliary revenues	112,661,804
Other operating revenues	8,502,375
Total operating revenues	<u>447,459,075</u>
Operating expenses	
Salaries and wages	389,391,656
Fringe benefits	92,504,276
Professional services and fees	25,363,190
Educational services and support	140,044,662
Travel expenses	6,728,881
Operation of facilities	57,302,917
Other operating supplies and expenses	26,730,704
Depreciation and amortization	78,580,517
Total operating expenses	<u>816,646,803</u>
Operating loss	<u>(369,187,728)</u>
Nonoperating revenues (expenses)	
State appropriations	200,436,262
Pell grant revenue	55,045,577
Federal emergency grant revenue	65,576,635
Gifts	5,225,967
Investment income	28,269,232
Interest expense	(6,847,604)
Other nonoperating revenues (expenses), net	1,277,219
Net nonoperating revenues (expenses)	<u>348,983,288</u>
Loss before other changes in net position	(20,204,440)
Other changes in net position	
State appropriations restricted for capital purposes	26,121,761
Loss on disposal of capital assets	(764,505)
Derecognition of pension (Note 15)	767,896,536
Derecognition of OPEB (Note 15)	1,198,725,315
Other changes in net position	<u>1,991,979,107</u>
Change in net position	<u>1,971,774,667</u>
Net position at beginning of year	<u>(535,712,448)</u>
Net position at end of year	<u>\$ 1,436,062,219</u>

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

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2025 Total</u>
<b>Revenues, gains and other support</b>			
Contributions	\$ 7,115,026	\$ 8,444,477	\$ 15,559,503
Program income	45,250	176,709	221,959
Investment gain, net	1,461,827	20,792,269	22,254,096
Other income (loss)	696,146	(596,227)	99,919
Gain (loss) on disposal of assets	7,350	-	7,350
Net assets released from restrictions	11,811,912	(11,811,912)	-
Total revenues, gains and other support	<u>21,137,511</u>	<u>17,005,316</u>	<u>38,142,827</u>
<b>Operating expenses</b>			
Program services	12,567,978	10,582	12,578,560
Management and general	2,419,280	-	2,419,280
Fundraising	1,224,389	-	1,224,389
Total operating expenses	<u>16,211,647</u>	<u>10,582</u>	<u>16,222,229</u>
Transfers between funds	<u>(12,614)</u>	<u>12,614</u>	<u>-</u>
Change in net assets	4,913,250	17,007,348	21,920,598
<b>Net assets</b>			
Beginning of year	11,269,242	201,435,404	212,704,646
End of year	<u>\$ 16,182,492</u>	<u>\$ 218,442,752</u>	<u>\$ 234,625,244</u>

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

**Connecticut State University System**

## Statement of Cash Flows

Year Ended June 30, 2025

	<u>2025</u>
<b>Cash flows from operating activities</b>	
Tuition and fees	\$ 273,189,938
Grants and contracts	39,341,558
Auxiliary revenues	109,806,409
Other operating revenues	11,956,978
Payments to employees for salaries and benefits	(478,209,550)
Payments to suppliers	(5,193,461)
Professional services and fees	(25,363,190)
Educational services and support	(140,044,663)
Travel expenses	(6,728,881)
Operation of facilities	(57,302,917)
Other operating supplies and expenses	(17,251,005)
Net cash used in operating activities	<u>(295,798,784)</u>
<b>Cash flows from noncapital financing activities</b>	
State appropriations	202,722,909
Gifts for other than capital purposes	5,225,968
Nonoperating grants and revenue other	122,636,633
Net cash provided by noncapital financing activities	<u>330,585,510</u>
<b>Cash flows from investing activities</b>	
Proceeds from sales and maturities of investments	43,672,567
Purchases of investments	(30,257,970)
Interest and dividends received on investments	27,872,791
Net cash provided by investing activities	<u>41,287,388</u>
<b>Cash flows from capital and related financing activities</b>	
Purchases of capital assets	(41,474,078)
State capital appropriations received	25,112,161
Principal paid on debt and other obligations	(29,365,743)
Interest paid on debt and other obligations	(8,022,544)
Net cash used in capital and related financing activities	<u>(53,750,204)</u>
Net increase in cash and cash equivalents	22,323,910
Cash and cash equivalents, beginning of year	507,122,134
Cash and cash equivalents, end of year	<u>\$ 529,446,044</u>

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

**Connecticut State University System**

## Statement of Cash Flows (Continued)

Year Ended June 30, 2025

	<u>2025</u>
<b>Reconciliation of operating loss to net cash used in operating activities</b>	
Operating loss	\$ (369,187,728)
Adjustments to reconcile operating loss to net cash used in operating activities	
Depreciation and amortization	78,580,517
Changes in assets and liabilities:	
Receivables	(3,052,921)
Prepaid expenses and other	2,572,420
Accounts payable	1,659,159
Accrued salaries and benefits	1,225,493
Other liabilities	241,975
Due to/from the State of Connecticut	(17,715)
Unearned tuition, fees and grant revenues	(10,160,575)
Depository accounts	653,472
Accrued compensated absences	1,980,703
Changes in deferred inflows	(293,584)
Net cash used in operating activities	<u>\$ (295,798,784)</u>
<b>Noncash financing activity</b>	
Fixed assets included in accounts payable	\$ 7,121,049
<b>Reconciliation of cash and cash equivalents to the combined statements of net position</b>	
Cash and cash equivalents classified as current assets	\$ 344,096,642
Cash and cash equivalents classified as noncurrent assets	<u>185,349,402</u>
	<u>\$ 529,446,044</u>

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

## 1. Summary of Significant Accounting Policies

### Organization

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

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

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

### Basis of Presentation

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

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

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

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

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

### **Net Position**

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

- **Net Investment in Capital Assets**

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

- **Restricted Nonexpendable**

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

- **Restricted Expendable**

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

- **Unrestricted**

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

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

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

**Cash and Cash Equivalents**

Cash and cash equivalents consist of cash held by the state treasurer in a Short-Term Investment Fund (“STIF”), state general fund and capital appropriations, and petty cash. The STIF, stated at fair value, is held on behalf of CSUS by the State Treasurer and has original maturities of three months or less (see Notes 2 and 11). CSUS has long-term investments which include debt service reserve funds which are restricted for purposes in accordance with CHEFA regulations. Interest income is recognized on an accrual basis.

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

**Fair Value of Financial Instruments**

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

**Investment in Capital Assets**

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

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

Major construction projects for new physical plant and original equipment financed by the State of Connecticut capital outlay appropriations are managed and controlled by the Division of Construction Services of the State of Connecticut (“DCS”). The cost value of the project is recognized as revenue and recorded as state financed plant facilities by the Colleges and Universities when eligibility requirements are met. There were no such projects recognized at CSUS for the fiscal year ended June 30, 2025.

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

**Subscription Liabilities**

Subscription liabilities represent CSUS’s obligations to make future payments for Subscription-Based Information Technology Agreements (SBITAs). SBITA liabilities are recognized at the subscription commencement date based on the present value of the payments over the remaining SBITA term. If the discount rate is not implicit in the agreement, an institutional borrowing rate determined by CSUS is used

to calculate the present value. Short-term subscriptions with a maximum period of 12 months are expensed as incurred.

#### **Lease Liabilities**

Lease liabilities represent CSUS's obligations to make future payments for leases of equipment. Lease liabilities are recognized at the lease commencement date based on the present value of the payments over the remaining lease term. If the discount rate is not implicit in the agreement, an institutional borrowing rate determined by CSUS is used to calculate the present value. Short-term subscriptions with a maximum period of 12 months are expensed as incurred.

#### **Lease Receivable**

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

#### **Deferred Inflows**

Deferred inflows consist of unrecognized revenues from lease receivables.

#### **Accrued Compensated Absences (ACA)**

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

#### **State Funding for Employee Retirement and Other Post Employment Benefit (OPEB) Plans**

In June 2023, the Connecticut General Assembly passed a state budget for the 2024 and 2025 biennium that changed the way fringe is paid for institutions of higher education. Effective July 1, 2023, the State directly funds CSUS employee benefit retirement costs, which are therefore no longer charged to CSUS through a fringe benefit rate assessment. As a result, there is a reduction in appropriations to CSUS since the State is directly covering retirement-related costs for all eligible CSUS employees. The direct funding by the State is not considered to be a special funding situation which would require on behalf payments to be recorded by CSUS. This is because CSUS is an agency of the State, and not a separate legal entity. Beginning in Fiscal Year 2025, CSUS no longer recognizes net pension and OPEB liabilities and deferrals due to the legislative change that shifts retirement cost funding entirely to the State. The reversal of these amounts are presented as special items in Other Changes in Net Position on the Statement of Revenues, Expenses, and Changes in Net Position.

#### **Unearned Tuition, Fees and Grant Revenues**

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

The State allotted \$64.3 million to the CSUS in fiscal year 2025 as part of the State's American Rescue Plan Act (ARPA) allocation designated as temporary operating support. The total was recorded as federal emergency grant revenue under nonoperating revenues in the accompanying Statement of Revenues, Expenses, and Changes in Net Position for the fiscal year ended June 30, 2025.

#### **Tuition and Fees Revenue**

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

### **Auxiliary Revenues**

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

### **Operating Activities**

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

### **Income Taxes**

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

### **Use of Estimates**

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

### **GASB Pronouncements Effective in Current Year**

In June 2022, GASB issued Statement No. 101, Compensated Absences. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. The adoption of GASB 101 had no effect on CSUS's financial statements.

In December 2023, GASB issued Statement No. 102, Certain Risk Disclosures. The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints, if the government reports a liability for revenue debt. The requirements of this Statement are effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter. The adoption of GASB 102 had no effect on CSUS's financial statements.

### **GASB Pronouncements Effective in Future Years**

In April 2024, GASB issued Statement No. 103, Financial Reporting Model Improvements. The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision-making and assessing a government's accountability and also addresses certain application issues. Management is currently assessing the impact of this Statement.

In September 2024, GASB issued Statement No. 104, Disclosure of Certain Capital Assets. The objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets. The Statement requires intangible right-to-use capital assets to be disclosed separately by major class and requires additional disclosures for capital assets held for sale. Management is currently assessing the impact of this Statement.

**Subsequent Events**

In accordance with generally accepted accounting principles, CSUS has evaluated subsequent events for the period after June 30, 2025, through December 19, 2025, the date the financial statements were issued.

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

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

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

Cash and cash equivalents also include operating funds held by the State of Connecticut in a pooled, interest credit program which earns interest at a rate determined monthly by the Office of the State Treasurer. The interest rate at June 30, 2025 was 4.45%.

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

	<b>2025</b>	
	<b>Cost</b>	<b>Fair Value</b>
Cash and cash equivalents	\$ 529,446,044	\$ 529,446,044
U.S. Mutual Funds-Governmental	53,984,956	53,984,956
	<u>\$ 583,431,000</u>	<u>\$ 583,431,000</u>

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

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

*Custodial Credit Risk* – At June 30, 2025, the carrying amount of CSUS’s bank deposits was \$4.3 million as compared to bank balances of \$5.7 million. The difference between the carrying amount and bank balances was primarily caused by outstanding checks and deposits in transit. Of such bank balances, \$4.9 million was uninsured and uncollateralized and therefore subject to custodial credit risk as of June 30, 2025.

*Concentration of Credit Risk* – Concentration of credit risk is assumed to arise when the amount of investments with one issuer exceeds 5% or more of the total value of investments. 90% of CSUS total cash, cash equivalents and investments was invested in the STIF and the State’s pooled interest credit program accounts as of June 30, 2025.

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

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

Debt Securities	Fair Value	Less Than 1 Year	More than 1 Year
June 30, 2025			
U.S. Government obligations	\$ 53,984,956	\$ 53,984,947	\$ 9

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

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

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

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

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

All of the investments held at June 30, 2025 are valued based on Level 1 inputs. There are no liabilities subject to the fair value provisions of GASB No. 72.

### 3. Accounts Receivable

Receivables consisted of the following at June 30:

	<b>2025</b>
Student accounts receivable	\$ 19,441,488
Student loans receivable	3,599,463
Grants receivable	5,500,204
Leases receivable	1,427,185
Miscellaneous receivables	4,458,528
	34,426,868
Less allowance for doubtful accounts	(11,227,741)
Net accounts receivable	\$ 23,199,127

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

#### 4. Capital Assets

Capital assets for the Universities consist of the following at June 30, 2025:

	<u>Balance</u> <u>July 1, 2024</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers</u>	<u>Balance</u> <u>June 30, 2025</u>
<b>Capital assets not being depreciated:</b>					
Land	\$ 19,717,438	\$ -	\$ -	\$ -	\$ 19,717,438
Capitalized collections	8,944,944	30,499	(8,350)	8,350	8,975,443
Construction in progress	42,668,617	24,691,416	-	(42,448,668)	24,911,365
Total capital assets not being depreciated	<u>\$ 71,330,999</u>	<u>\$ 24,721,915</u>	<u>\$ (8,350)</u>	<u>\$ (42,440,318)</u>	<u>\$ 53,604,246</u>
<b>Other capital assets:</b>					
Land improvements	\$ 111,735,581	\$ 1,757,011	\$ (1,418,587)	\$ 449,795	\$ 112,523,800
Buildings and building improvements	2,109,262,145	9,982,822	(225,539)	40,320,437	2,159,339,865
Furniture, fixtures and equipment	152,770,829	5,951,980	(3,911,926)	1,670,086	156,480,969
Library materials	12,169,483	117,223	(1,098,791)	-	11,187,915
Right-of-use-assets - equipment	1,864,808	364,912	(688,768)	-	1,540,952
Right-of-use-assets - subscriptions	30,506,585	2,683,107	(7,252,960)	-	25,936,732
Total other capital assets	<u>2,418,309,431</u>	<u>20,857,055</u>	<u>(14,596,571)</u>	<u>42,440,318</u>	<u>2,467,010,233</u>
Less accumulated depreciation and amortization					
Land improvements	(85,237,306)	(2,705,078)	870,157	-	(87,072,227)
Buildings and building improvements	(991,200,585)	(61,454,866)	141,492	-	(1,052,513,959)
Furniture, fixtures and equipment	(124,035,905)	(7,631,870)	3,637,955	-	(128,029,820)
Library materials	(8,604,507)	(631,726)	1,098,793	-	(8,137,440)
Right-of-use-assets - equipment	(1,189,842)	(367,882)	797,607	-	(760,117)
Right-of-use-assets - subscriptions	(12,163,481)	(5,789,095)	6,155,473	-	(11,797,103)
Total accumulated depreciation and amortization	<u>(1,222,431,626)</u>	<u>(78,580,517)</u>	<u>12,701,477</u>	<u>-</u>	<u>(1,288,310,666)</u>
Other capital assets, net	<u>\$1,195,877,805</u>	<u>\$ (57,723,462)</u>	<u>\$ (1,895,094)</u>	<u>\$ 42,440,318</u>	<u>\$1,178,699,567</u>
<b>Capital asset summary:</b>					
Capital assets not being depreciated or amortized	\$ 71,330,999	\$ 24,721,915	\$ (8,350)	\$ (42,440,318)	\$ 53,604,246
Other capital assets, at cost	<u>2,418,309,431</u>	<u>20,857,055</u>	<u>(14,596,571)</u>	<u>42,440,318</u>	<u>2,467,010,233</u>
Total cost of capital assets	2,489,640,430	45,578,970	(14,604,921)	-	2,520,614,479
Less accumulated depreciation and amortization					
	<u>(1,222,431,626)</u>	<u>(78,580,517)</u>	<u>12,701,477</u>	<u>-</u>	<u>(1,288,310,666)</u>
Capital assets, net	<u>\$1,267,208,804</u>	<u>\$ (33,001,547)</u>	<u>\$ (1,903,444)</u>	<u>\$ -</u>	<u>\$1,232,303,813</u>

## 5. Bonds and Note Payable

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

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

### Bonds Payable

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

CHEFA Series	Issue Date	Issuance Amount	Mature in Fiscal Years:	Interest Rates:	Outstanding Principal 2025
L	4/4/2012	\$ 49,040,000	2013 - 2030	2.50% - 4.00%	\$ 28,705,000
N	10/23/2013	80,340,000	2015 - 2026	4.10% - 5.00%	4,165,000
O	9/16/2014	21,240,000	2015 - 2031	2.00% - 4.00%	6,305,000
P-1	9/13/2016	55,030,000	2018 - 2037	2.50% - 5.00%	38,690,000
P-2	9/13/2016	19,530,000	2018 - 2036	2.50% - 5.00%	5,080,000
Q-1	5/10/2019	71,260,000	2021 - 2040	3.00% - 5.00%	59,020,000
Q-2	5/10/2019	20,845,000	2021 - 2032	5.00% - 5.00%	6,275,000
R-1	4/27/2021	14,640,000	2033 - 2034	2.00% - 2.125%	14,640,000
R-2	4/27/2021	85,110,000	2023 - 2034	0.35% - 2.45%	73,705,000
					<u>\$ 236,585,000</u>

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

<u>Maturity</u>	<u>Principal</u>	<u>Interest</u>
2026	22,175,000	6,879,896
2027	20,665,000	6,158,035
2028	21,265,000	5,536,346
2029	21,920,000	4,863,613
2030	22,600,000	4,150,071
2031-2035	95,810,000	10,876,275
2036-2040	32,150,000	2,094,706
	<u>\$ 236,585,000</u>	<u>\$ 40,558,942</u>

Long-term bond payable activity for the year ended June 30, 2025 was as follows:

	<u>Balance July 1, 2024</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance June 30, 2025</u>
Bonds payable	\$ 257,955,000	\$ -	\$ (21,370,000)	\$ 236,585,000
Premium on bonds payable	9,458,276	-	(1,491,546)	7,966,730
Discount on bonds payable	(395,049)	-	75,649	(319,400)
Total bonds payable	<u>\$ 267,018,227</u>	<u>-</u>	<u>\$ (22,785,897)</u>	<u>\$ 244,232,330</u>

### Note Payable

On October 1, 2022, CSCU entered into an installment payment agreement (IPA) with a financial institution for \$37.1 million for the purchase of IT infrastructure software and equipment. The total outstanding balance on the IPA at June 30, 2025 is \$26.5 million, and CSUS's distributive share of this CSCU note payable is \$15.7 million and CT State's share is \$10.8 million. Part of the agreement included the receipt of cash of an equal amount in an escrow account to be used for the purchase of the equipment. The escrow account totaled \$1.1 million at June 30, 2025 for CSUS, and is included in cash and cash equivalents on the financial statements. The agreement calls for annual payments beginning October 2023 and continuing until October 2029 at 0% interest. CSUS's distributive portion of the payments is \$3.1 million each year for the next 5 years.

## 6. Leases

CSUS has entered into various leases for equipment. The activity associated with the long-term lease liability for the year ended June 30, 2025 is summarized as follows:

Balance 7/1/24	Additions	Payments and Disposals	Balance 6/30/25	Amounts due within 1 year (Current Portion)
\$ 683,179	\$ 494,303	\$ (391,910)	\$ 785,572	\$ 335,721

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

Fiscal Year	Principal	Interest	Total
2026	\$ 335,721	\$ 20,773	\$ 356,494
2027	252,739	9,909	262,648
2028	118,913	3,596	122,509
2029	73,555	1,182	74,737
2030	4,644	80	4,724
Total Requirements	<u>\$ 785,572</u>	<u>\$ 35,540</u>	<u>\$ 821,112</u>
Less Current	<u>\$ (335,721)</u>		
Non-Current	<u>\$ 449,851</u>		

For the year ended June 30, 2025, CSUS earned a total of \$371,783 in lease revenue and \$56,064 in lease interest revenue.

Lease receivable principal and interest requirements to maturity as of June 30, 2025 are as follows:

Fiscal Year	Principal	Interest	Total
2026	\$ 377,590	\$ 46,126	\$ 423,716
2027	365,691	31,679	397,370
2028	255,886	20,629	276,515
2029	124,410	13,618	138,028
2030	34,946	11,454	46,400
2031-2035	197,179	34,820	231,999
2036-2040	68,149	2,852	71,001
2041-2045	1,526	474	2,000
2046-2050	1,808	192	2,000
Total	<u>\$ 1,427,185</u>	<u>\$ 161,844</u>	<u>\$ 1,589,029</u>

## 7. Subscription-Based Information Technology Arrangements

CSUS has entered into various SBITAs that convey CSUS control of the right of use vendor-provided software, alone or in combination with an underlying tangible IT capital asset. The long-term liability activity for the year ended June 30, 2025, is summarized as follows:

Balance 7/1/24	Additions	Payments and Disposals	Balance 6/30/25	Amounts due within 1 year (Current Portion)
\$12,722,585	\$ 2,099,908	\$ (5,003,829)	\$ 9,818,664	\$ 2,549,295

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

Fiscal Year	Principal	Interest	Total
2026	\$ 2,549,295	\$ 458,336	\$ 3,007,631
2027	2,268,001	347,146	2,615,147
2028	1,313,084	239,604	1,552,688
2029	1,393,744	176,065	1,569,809
2030	1,502,860	107,576	1,610,436
Thereafter	791,680	47,823	839,503
Total Requirements	<u>\$ 9,818,664</u>	<u>\$ 1,376,550</u>	<u>\$ 11,195,214</u>
Less Current	<u>\$ (2,549,295)</u>		
Non-Current	<u>\$ 7,269,369</u>		

## 8. Accrued Compensated Absences

Accrued compensated absences as of June 30 include:

	<u>2025</u>
Accrued vacation	\$ 33,166,614
Accrued sick leave	28,656,534
Other accrued fringe benefits	4,747,924
	<u>66,571,072</u>
Less: current portion	<u>(4,497,258)</u>
Noncurrent portion	<u>\$ 62,073,814</u>

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

Balance as of June 30, 2024	\$ 64,590,369
Net Changes FY 2025	1,980,703
Balance as of June 30, 2025	<u>\$ 66,571,072</u>

These accruals represent estimated amounts earned by all eligible employees through June 30, 2025. These accrued compensated absences will be settled over a number of years and are not expected to have a significant impact on the future annual cash flows of the System. The current portion of compensated absences is estimated based on recent past history and is presented in today's dollars.

### 9. Unearned Tuition, Fees and Grant Revenue

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

	<u>2025</u>
Unearned tuition and fees	\$ 20,271,108
Grants and contracts	7,209,602
Other	145,613
	<u>\$ 27,626,323</u>

### 10. Commitments and Contingencies

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

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

CSUS had outstanding purchase orders and related commitments for materials, services and capital expenditures that had not been received as of June 30. These commitments are not recorded as liabilities until materials or services are received. The commitments of total net position balances at June 30 were as follows:

	<u>2025</u>
System Office	\$ 2,815,653
Central Connecticut State University	5,221,100
Eastern Connecticut State University	5,523,381
Southern Connecticut State University	8,182,344
Western Connecticut State University	3,185,779
	<u>\$ 24,928,257</u>

**11. Related Parties**

The State supports CSUS’s mission by providing appropriations from the General Fund. For the year ended June 30, 2025, CSUS received \$200.4 million in general fund appropriations.

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

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

	<u>2025</u>
Receivable for accrued salaries to be paid by State of Connecticut General Fund	\$ 18,160,421
State appropriations for capital projects	20,516,612
Other	<u>2,292</u>
	<u>\$ 38,679,325</u>

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

	<u>2025</u>
Cash balances held with the State of Connecticut on behalf of the CSUS	\$ 414,418,919
Amounts invested in the State of Connecticut Short-Term Investment Fund (STIF)	<u>109,586,533</u>
	<u>\$ 524,005,452</u>

In June 2023, the Connecticut General Assembly enacted and the Governor signed Public Act 23-204, which includes the State budget for the fiscal years 2024 and 2025 biennium and amends the State’s funding structure for constituent units of the State system of higher education. Effective July 1, 2023, the State began directly funding all of CSUS’s employee retirement costs related to the State’s retirement systems and the Alternate Retirement Plan. For the year ending June 30, 2025, \$123.8 million was paid by the State for retirement costs for CSUS employees. CSUS remains responsible for funding all employee non-retirement fringe benefit costs.

**12. Natural Classification with Functional Classification**

The operating expenses by functional classification were as follows:

	Year ended June 30, 2025								Total
	Natural Classification								
	Salaries and wages	Fringe benefits	Professional services and fees	Educational services and support	Travel expense	Operation of facilities	Other operating supplies and expenses	Depreciation and amortization	
Instruction	\$ 192,943,245	\$ 44,160,356	\$ 2,516,681	\$ 1,931,474	\$ 525,928	\$ 1,223,740	\$ 1,716,765	\$ -	\$ 245,018,189
Research	3,624,611	719,999	980,727	570,751	565,258	17,131	753,198	-	7,231,675
Public service	4,986,712	1,048,056	1,459,042	1,032,570	660,632	135,478	727,923	-	10,050,413
Academic support	33,179,442	7,145,773	2,120,875	5,516,167	1,640,593	282,472	2,889,763	-	52,775,085
Student services	55,107,572	13,050,567	4,097,686	3,620,244	2,516,948	1,081,320	3,364,931	-	82,839,268
Institutional support	50,022,398	11,663,561	10,511,622	2,117,209	682,553	832,327	8,228,914	-	84,058,584
Operation and maintenance	37,924,778	11,601,840	2,318,449	783,700	85,252	45,869,504	8,137,274		106,720,797
Depreciation and amortization	-	-	-	-	-	-	-	78,580,517	78,580,517
Scholarships, loans and refunds	463,984	1,088	153,103	89,004,768	23,681	17,677	92,020	-	89,756,321
Auxiliary enterprises	11,138,914	3,113,036	1,205,005	35,467,779	28,036	7,843,268	819,916	-	59,615,954
<b>Total expenses</b>	<b>\$ 389,391,656</b>	<b>\$ 92,504,276</b>	<b>\$ 25,363,190</b>	<b>\$ 140,044,662</b>	<b>\$ 6,728,881</b>	<b>\$ 57,302,917</b>	<b>\$ 26,730,704</b>	<b>\$ 78,580,517</b>	<b>\$ 816,646,803</b>

### 13. Retirement Plans

#### Pension Plans

All regular full-time employees of CSCU are eligible to participate in one of two defined benefit plans administered through the State: the State Employees Retirement System (SERS) and the Connecticut Teachers' Retirement System (TRS). SERS and TRS do not issue stand-alone financial reports but are reported as fiduciary funds within the State's Annual Comprehensive Financial Report (ACFR). Financial reports are available on the website of the Office of the State Comptroller at [osc.ct.gov](http://osc.ct.gov).

The State of Connecticut is statutorily responsible for the pension benefits of CSCU employees who participate in the SERS. SERS is the administrator of a single employer defined benefit public employee retirement system ("PERS"). SERS provides retirement, disability, death benefits and cost of living adjustments to plan members and their beneficiaries. Plan benefits, cost of living adjustments, contribution requirements of plan members and the State and other plan provisions are described in agreements between the State and the State Employee Bargaining Agent Coalition ("SEBAC") as authorized by the General Statutes.

TRS is a cost-sharing multiple-employer defined benefit plan covering any teacher, principal, superintendent, or supervisor engaged in service of public schools in the State. Employees previously qualified for TRS continue coverage during employment with CSCU and do not participate in any other offered retirement plans. TRS is governed by Chapter 167a of the State General Statutes, as amended through the current session of the State legislature and is administered by the Teachers' Retirement Board.

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

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

Employees hired after July 1, 2017 are eligible to participate in Tier IV as a result of the 2017 SEBAC agreement. The SERS Tier IV plan is comprised of both a traditional Defined Benefit component and a new Defined Contribution component. The Tier IV Defined Benefit component provides a pre-defined monthly retirement income for life, with the amount being affected by years of service, retirement age, and the member's final average earnings for members that satisfy the Tier IV minimum age and service eligibility requirements. The Tier IV Defined Contribution component establishes an account consisting of an accumulation of employee and employer contributions both set equal to 1%, as well as investment gains or losses. Each Tier IV member will have an account with the third-party administrator of the State Alternate Retirement Program (ARP).

#### Funding Policy

The contribution requirements of plan members and the State are established and may be amended by the State legislature subject to the contractual rights established by collective bargaining. Employee contribution rates for the year ended June 30, 2025 are as follows:

Tier I Plan B – 2% of earnings up to the Social Security Taxable Wage Base plus 5% of earnings above that level

Tier I Plan B Hazardous Duty – 4% of earnings up to the Social Security Taxable Wage Base plus 5% of earnings above that level

Tier I Plan C – 5% of earnings

Tier II Regular – 2% of earnings

Tier II Hazardous Duty – 6% of earnings

Tier IIA and III Regular – 4% of earnings

Tier IIA and III Hazardous – 7% of earnings

Tier IV – 5% of earnings

Effective July 1, 2023, State legislation altered the funding structure for public higher education for employer contributions to the SERS and TRS (See Note 15). Beginning in fiscal year 2024, the State assumed responsibility for these contributions, and CSUS did not make any payments to SERS or TRS. As a result, no deferred outflows of resources were reported as of June 30, 2024 for contributions made after the measurement date (June 30, 2023).

Prior to the legislative change effective July 1, 2023, the total collective pension liability (TPL) used to calculate the net pension liability (NPL) was based on actuarial valuation reports for both SERS and TRS, and CSUS's proportionate share of the NPL was determined by its share of total contributions to each plan. Due to the legislative changes effective June 30, 2023, CSUS's proportionate share was reduced to zero for both plans as of the June 30, 2024 measurement date, reflecting the State's full funding of contributions.

With a zero percent proportionate share, CSUS no longer met the criteria under GASB 68 to report pension liabilities or pension-related deferred inflows and deferred outflows in its financial statements, and recorded no pension expense for the year ended June 30, 2025. This change in accounting for pension is recorded as a special item in the Statement of Revenues, Expenses, and Changes in Net Position for the year ended June 30, 2025 rather than being amortized as a change in proportionate share through pension expense. Additional details are provided in Note 15.

#### Alternate Retirement Plan (ARP)

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

#### **14. Other Post-Employment Benefits**

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

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

time of retirement. The State finances the cost of post-retirement health care and life insurance benefits

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

#### Plan Description

SEOPEBP is a single-employer defined benefit OPEB plan that covers retired employees of CSCU who are receiving benefits from any State-sponsored retirement system. The plan provides healthcare and life insurance benefits to eligible retirees and their spouses. Plan benefits, required contributions of plan participants and the State, and other plan provisions are described in Sections 5-257 and 5-259 of the General Statutes.

#### Funding Policy

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

Similar to pension, effective July 1, 2023, legislation altered the funding structure for public higher education's employer contributions to the SEOPEBP (see Note 15). Beginning in fiscal year 2024, the State assumed responsibility for these contributions, and CSUS did not make any payments to SEOPEBP. As a result, no deferred outflows of resources were reported with the June 30, 2024 reporting date for contributions made after the measurement date (June 30, 2023).

Prior to the legislative change effective July 1, 2023, the total collective OPEB liability (TOL) used to calculate the net OPEB liability (NOL) was based on actuarial valuation reports for SEOPEBP, and CSUS's proportionate share of the NOL was determined by its share of total contributions. Due to the legislative changes effective after June 30, 2023, CSUS's proportionate share was reduced to zero as of the June 30, 2024 measurement date, reflecting the State's full funding of contributions.

With a zero percent proportionate share, CSUS no longer met the criteria under GASB 75 to report OPEB liabilities or OPEB-related deferred inflows and outflows in its financial statements, and recorded no OPEB expense for the year ended June 30, 2025. This change in accounting for OPEB is recorded as a special item in the Statement of Revenues, Expenses, and Changes in Net Position for the year ended June 30, 2025 rather than being amortized as a change in proportionate share through OPEB expense. Additional details are provided in Note 15.

**15. Special Items: Derecognition of Pension and OPEB Balances**

As described in Note 1, in fiscal year 2025 CSUS recorded special items for the removal of pension and OPEB balances. These derecognitions are classified as special items under GASB Statement No. 34 Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments and No. 62 Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements because they are infrequent in occurrence and involved management participation and influence.

GASB Statements No. 68 Accounting and Financial Reporting for Pensions and No. 75 Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions do not require allocation of pension and OPEB liabilities to individual funds within the reporting entity unless those liabilities are directly related to and expected to be paid from those funds. Based on this guidance and legislative changes, CSUS no longer recognizes these liabilities. The derecognitions were recorded separately in other changes in net position in the accompanying Statement of Revenues, Expenses, and Changes in Net Position for the year ended June 30, 2025.

The total impact of the derecognitions was approximately \$1.966 billion. The following table shows the increase (decrease) to net position by plan and balance type (amounts in thousands):

	SERS	TRS	Total Pension	SEOPEBP	Total Pension and OPEB Derecognition
Liabilities	\$ 535,249	\$ 19,155	\$ 554,404	\$ 862,283	\$ 1,416,687
Deferred inflows of resources	325,027	4,290	\$ 329,317	443,211	\$ 772,528
Deferred outflows of resources	(111,415)	(4,409)	\$ (115,824)	(106,769)	\$ (222,593)
	<u>\$ 748,861</u>	<u>\$ 19,036</u>	<u>\$ 767,897</u>	<u>\$ 1,198,725</u>	<u>\$ 1,966,622</u>

:

**REQUIRED SUPPLEMENTARY INFORMATION**

**Connecticut State University System**  
**Schedule of Net Pension Liability and Related Ratios (Unaudited)**  
**June 30, 2025 – 2016**

**Schedule of Net Pension Liability and Related Ratios**  
**State Employee Retirement System Plan**  
 Last 10 Fiscal Years  
 (in thousands)

	<b>2025</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
System's proportion of the net pension liability	0.00%	2.58%	3.42%	4.91%	4.55%	4.57%	4.07%	3.81%	4.23%	3.96%
System's proportionate share of the net pension liability	\$ -	\$ 535,249	\$ 754,892	\$ 1,043,539	\$ 1,078,763	\$ 1,042,307	\$ 882,365	\$ 876,024	\$ 972,053	\$ 653,585
System's covered payroll	\$ -	\$ 107,567	\$ 129,631	\$ 212,152	\$ 205,687	\$ 196,238	\$ 175,779	\$ 144,700	\$ 152,195	\$ 154,782
System's proportionate share of the net pension liability as a percentage of its covered payroll	0.00%	498%	582%	492%	524%	531%	502%	605%	639%	422%
Plan Fiduciary net position as a percentage of the total pension liability	0.00%	50.59%	45.76%	44.55%	35.84%	36.79%	36.62%	36.25%	31.69%	39.23%

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

	<b>2025</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
System's proportion of the net pension liability	0.00%	0.11%	0.11%	0.11%	0.11%	0.19%	0.19%	0.09%	0.09%	0.10%
System's proportionate share of the net pension liability	\$ -	\$ 19,155	\$ 20,654	\$ 17,117	\$ 21,599	\$ 32,124	\$ 24,769	\$ 12,309	\$ 12,986	\$ 10,524
State's proportionate share of the net pension liability associated with the System	\$ -	\$ 19,155	\$ 20,654	\$ 17,117	\$ 21,612	\$ 27,060	\$ 24,769	\$ 12,986	\$ 12,986	\$ 10,524
<b>Total</b>	<b>\$ -</b>	<b>\$ 38,310</b>	<b>\$ 41,308</b>	<b>\$ 34,234</b>	<b>\$ 43,211</b>	<b>\$ 59,184</b>	<b>\$ 49,539</b>	<b>\$ 25,296</b>	<b>\$ 25,973</b>	<b>\$ 21,048</b>
System's covered payroll	\$ -	\$ 5,524	\$ 5,156	\$ 5,453	\$ 5,331	\$ 5,075	\$ 4,729	\$ 3,652	\$ 4,128	\$ 3,930
System's proportionate share of the net pension liability as a percentage of its covered payroll	0.00%	347%	401%	314%	405%	633%	524%	337%	315%	268%
Plan Fiduciary net position as a percentage of the total pension liability	0.00%	58.39%	54.06%	49.24%	52.00%	57.69%	55.93%	52.26%	59.50%	61.56%

**Connecticut State University System**

Schedule of Net OPEB Liability and Related Ratios (Unaudited)

June 30, 2025 – 2017

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
System's proportion of the net OPEB liability	0.00%	5.53%	5.95%	6.10%	6.13%	6.47%	5.57%	4.62%	4.73%
System's proportionate share of the net OPEB liability	\$ -	\$ 862,284	\$ 921,402	\$ 1,191,797	\$ 1,443,409	\$ 1,338,987	\$ 967,346	\$ 996,032	\$ 1,021,242
System's covered payroll	\$ -	\$ 268,988	\$ 223,462	\$ 222,718	\$ 229,674	\$ 234,304	\$ 246,719	\$ 251,239	\$ 260,591
System's proportionate share of the net OPEB liability as a percentage of its covered payroll	0.00%	321%	412%	535%	628%	571%	392%	396%	392%
Plan Fiduciary net position as a percentage of the total OPEB liability	0.00%	14.60%	12.63%	10.12%	6.13%	5.40%	4.69%	3.03%	1.94%

**Connecticut State University System**  
**Schedule of Contributions (Unaudited)**  
**June 30, 2025 – 2016**

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

	<b>2025</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
Contractually required contribution	\$ -	\$ 84,163	\$ 97,529	\$ 87,694	\$ 73,503	\$ 72,115	\$ 59,187	\$ 64,638	\$ 64,086	\$ 54,526
Contributions in relation to the contractually required contribution	-	(84,163)	(97,529)	(87,694)	(73,503)	(72,115)	(58,714)	(64,121)	(63,574)	(54,254)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 473	\$ 517	\$ 513	\$ 273
System's covered payroll	\$ -	\$ 107,567	\$ 129,631	\$ 212,152	\$ 205,687	\$ 196,238	\$ 175,779	\$ 144,700	\$ 152,195	\$ 154,782
Contributions as a percentage of covered payroll	0.00%	78.24%	75.24%	41.34%	35.74%	36.75%	33.40%	44.31%	41.77%	35.05%

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

	<b>2025</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
Contractually required contribution	\$ -	\$ 1,777	\$ 1,628	\$ 1,433	\$ 1,386	\$ 2,432	\$ 2,394	\$ 923	\$ 889	\$ 944
Contributions in relation to the contractually required contribution	-	(1,792)	(2,425)	(1,831)	(1,596)	(1,861)	(1,234)	(570)	(1,324)	(1,517)
Contribution deficiency (excess)	\$ -	\$ (14)	\$ (797)	\$ (398)	\$ (210)	\$ 571	\$ 1,160	\$ 353	\$ (435)	\$ (573)
System's covered payroll	\$ -	\$ 5,524	\$ 5,156	\$ 5,453	\$ 5,331	\$ 5,075	\$ 4,729	\$ 3,652	\$ 4,128	\$ 3,930
Contributions as a percentage of covered payroll	0.00%	32.44%	47.03%	33.58%	29.95%	36.66%	26.10%	15.59%	32.07%	38.60%

**Connecticut State University System**  
**Schedule of Contributions (Unaudited)**  
**June 30, 2025 – 2017**

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**Schedule of Contributions**  
**Other Post Employment Benefits**

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

	<b>2025</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
Contractually required contribution	\$ -	\$ 47,016	\$ 50,411	\$ 52,980	\$ 53,174	\$ 48,746	\$ 44,677	\$ 38,553	\$ 36,046
Contributions in relation to the contractually required contribution	-	(47,016)	(50,411)	(52,980)	(53,174)	(48,746)	(44,677)	(38,553)	(36,046)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
System's covered payroll	\$ -	\$ 268,988	\$ 223,462	\$ 222,718	\$ 229,674	\$ 234,304	\$ 246,719	\$ 251,239	\$ 260,591
Contributions as a percentage of covered employee payroll	0.00%	17.48%	22.56%	23.79%	23.15%	20.80%	18.11%	15.35%	13.83%

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

**1. Note to Required Supplementary Information**

Beginning in Fiscal Year 2025, CSUS no longer recognizes net pension and OPEB liabilities and deferrals due to the legislative change that shifts retirement cost funding entirely to the State. The pension and OPEB balances and contributions are reduced to zero for 2025 in the supplementary schedules. The reversal of these amounts are presented as special items in Other Changes in Net Position on the Statement of Revenues, Expenses, and Changes in Net Position. See Note 15 for details.

## **SUPPLEMENTARY SCHEDULES**

**Connecticut State University System**  
Supplemental Information – Combining Schedule of Net Position  
June 30, 2025

	<b>CCSU</b>	<b>ECSU</b>	<b>SCSU</b>	<b>WCSU</b>	<b>SO</b>	<b>Combining Adjustments</b>	<b>2025</b>
<b>Assets</b>							
Current assets:							
Cash and cash equivalents	\$ 89,222,100	\$ 28,389,583	\$ 79,426,607	\$ 41,571,151	\$ 105,487,201	\$ -	\$ 344,096,642
Investments	-	-	-	-	24,395,774	-	24,395,774
Accounts receivable, net	10,411,341	1,869,552	5,270,202	2,092,990	3,793	-	19,647,878
Due from the State of Connecticut	10,886,258	6,417,190	11,933,119	7,325,062	2,117,696	-	38,679,325
Due from SO and Universities	2,271,428	19,536	1,302,199	2,163,894	-	(5,757,057)	-
Prepaid expenses and other current assets	2,562,440	1,339,068	1,672,394	326,897	308,821	-	6,209,620
<b>Total current assets</b>	<b>115,353,567</b>	<b>38,034,929</b>	<b>99,604,521</b>	<b>53,479,994</b>	<b>132,313,285</b>	<b>(5,757,057)</b>	<b>433,029,239</b>
Noncurrent assets:							
Cash and cash equivalents	63,978,261	37,730,208	34,055,908	1,044,868	48,540,157	-	185,349,402
Investments	-	-	-	-	29,589,182	-	29,589,182
Accounts receivable, net	620,806	313,276	2,592,670	24,497	-	-	3,551,249
Other assets	-	-	1,748	-	-	-	1,748
Investment in capital assets	737,272,936	540,003,126	737,961,122	477,541,560	27,835,735	-	2,520,614,479
Accumulated depreciation and amortization	(351,998,685)	(262,543,343)	(402,777,853)	(247,923,776)	(23,067,009)	-	(1,288,310,666)
Investment in capital assets, net	385,274,251	277,459,783	335,183,269	229,617,784	4,768,726	-	1,232,303,813
<b>Total noncurrent assets</b>	<b>449,873,318</b>	<b>315,503,267</b>	<b>371,833,595</b>	<b>230,687,149</b>	<b>82,898,065</b>	<b>-</b>	<b>1,450,795,394</b>
<b>Total assets</b>	<b>\$ 565,226,885</b>	<b>\$ 353,538,196</b>	<b>\$ 471,438,116</b>	<b>\$ 284,167,143</b>	<b>\$ 215,211,350</b>	<b>\$ (5,757,057)</b>	<b>\$ 1,883,824,633</b>
<b>Deferred outflows of resources:</b>							
Deferred loss on bond refunding	\$ -	\$ -	\$ -	\$ -	\$ 3,355,474	\$ -	\$ 3,355,474
<b>Total deferred outflows of resources</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,355,474</b>	<b>\$ -</b>	<b>\$ 3,355,474</b>

**Connecticut State University System**  
Supplemental Information – Combining Schedule of Net Position  
June 30, 2025

	<b>CCSU</b>	<b>ECSU</b>	<b>SCSU</b>	<b>WCSU</b>	<b>SO</b>	<b>Combining Adjustments</b>	<b>2025</b>
<b>Liabilities</b>							
Current liabilities:							
Accounts payable	\$ 7,821,970	\$ 2,131,027	\$ 5,935,308	\$ 4,677,571	\$ 336,982	\$ -	\$ 20,902,858
Accrued salaries and benefits	15,728,033	7,377,212	16,115,791	7,417,604	313,360	-	46,952,000
Accrued compensated absences	1,344,514	811,800	1,499,610	632,156	209,178	-	4,497,258
Due to the State of Connecticut	11,266	722	274,684	-	-	-	286,672
Due to SO and Universities	-	-	-	-	5,757,057	(5,757,057)	-
Unearned tuition, fees and grant revenue	9,499,672	2,427,255	8,753,276	4,466,120	2,480,000	-	27,626,323
Bonds payable	-	-	-	-	22,175,000	-	22,175,000
Note Payable	-	-	-	-	3,139,036	-	3,139,036
Accrued bond interest payable	-	-	-	-	1,217,830	-	1,217,830
Lease liabilities	205,070	-	26,419	104,232	-	-	335,721
Subscription liabilities	425,451	386,354	368,644	633,226	735,620	-	2,549,295
Other liabilities	418,141	61,971	688,332	614,178	1,010,061	-	2,792,683
Depository accounts	2,770,366	1,457,515	3,067,866	288,370	-	-	7,584,117
Total current liabilities	<u>38,224,483</u>	<u>14,653,856</u>	<u>36,729,930</u>	<u>18,833,457</u>	<u>37,374,124</u>	<u>(5,757,057)</u>	<u>140,058,793</u>
Noncurrent liabilities:							
Accrued compensated absences	19,404,165	9,763,716	20,715,004	10,619,867	1,571,062	-	62,073,814
Bonds payable	-	-	-	-	222,057,330	-	222,057,330
Note payable	-	-	-	-	12,556,151	-	12,556,151
Federal loan program advances	-	347,374	-	804,077	-	-	1,151,451
Lease liabilities	198,972	-	58,236	192,643	-	-	449,851
Subscription liabilities	996,391	651,677	982,966	1,067,463	3,570,872	-	7,269,369
Other noncurrent liabilities	-	-	3,975,011	-	-	-	3,975,011
Total noncurrent liabilities	<u>20,599,528</u>	<u>10,762,767</u>	<u>25,731,217</u>	<u>12,684,050</u>	<u>239,755,415</u>	<u>-</u>	<u>309,532,977</u>
Total liabilities	<u>\$ 58,824,011</u>	<u>\$ 25,416,623</u>	<u>\$ 62,461,147</u>	<u>\$ 31,517,507</u>	<u>\$ 277,129,539</u>	<u>\$ (5,757,057)</u>	<u>\$ 449,591,770</u>
<b>Deferred inflows of resources:</b>							
Deferred lease Inflow s	\$ 689,669	\$ 475,175	\$ 361,274	\$ -	\$ -	\$ -	\$ 1,526,118
Total deferred inflow s of resources	<u>\$ 689,669</u>	<u>\$ 475,175</u>	<u>\$ 361,274</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,526,118</u>
<b>Net Position</b>							
Net investment in capital assets	\$ 383,448,366	\$ 276,421,753	\$ 333,747,003	\$ 227,568,729	\$ (248,448,563)	\$ -	\$ 972,737,288
Restricted:							
Nonexpendable	-	60,000	78,379	407,116	-	-	545,495
Expendable	9,869,735	3,222,111	5,786,767	5,351,005	31,292,160	-	55,521,778
Unrestricted	112,395,104	47,942,534	69,003,546	19,322,786	158,593,688	-	407,257,658
Total net position	<u>\$ 505,713,205</u>	<u>\$ 327,646,398</u>	<u>\$ 408,615,695</u>	<u>\$ 252,649,636</u>	<u>\$ (58,562,715)</u>	<u>\$ -</u>	<u>\$ 1,436,062,219</u>

**Connecticut State University System**

Supplemental Information – Combining Schedule of Revenues, Expenses and Changes in Net Position  
June 30, 2025

	<u>CCSU</u>	<u>ECSU</u>	<u>SCSU</u>	<u>WCSU</u>	<u>SO</u>	<u>Combining Adjustments</u>	<u>2025</u>
Operating revenues:							
Tuition and fees:							
Tuition and fees, gross	\$ 127,853,851	\$ 50,576,974	\$ 127,671,132	\$ 55,877,224	\$ -	\$ -	\$ 361,979,181
Less:							
Scholarships allowance	(18,648,717)	(15,642,902)	(14,157,129)	(7,252,929)	-	-	(55,701,677)
Waivers	(9,424,260)	(2,659,562)	(14,377,686)	(2,556,364)	-	-	(29,017,872)
Tuition and fees, net of scholarship allowances and waivers	99,780,874	32,274,510	99,136,317	46,067,931	-	-	277,259,632
Federal grants and contracts	7,341,337	2,642,499	11,279,324	2,424,385	-	-	23,687,545
State and local grants and contracts	4,519,089	1,572,932	4,635,833	5,096,747	-	-	15,824,601
Nongovernment grants and contracts	2,146,785	172,573	6,022,001	145,499	-	-	8,486,858
Indirect cost recoveries	469,259	65,075	487,436	14,490	-	-	1,036,260
Auxiliary revenues	34,012,890	30,748,561	29,021,863	18,878,490	-	-	112,661,804
Other operating revenues	2,951,495	721,887	3,768,113	1,060,880	-	-	8,502,375
Total operating revenues	<u>151,221,729</u>	<u>68,198,037</u>	<u>154,350,887</u>	<u>73,688,422</u>	<u>-</u>	<u>-</u>	<u>447,459,075</u>
Operating expenses:							
Salaries and wages	119,815,909	63,269,845	133,554,107	67,606,948	5,144,847	-	389,391,656
Fringe benefits	29,530,645	15,679,153	30,740,203	15,430,180	1,124,095	-	92,504,276
Professional services and fees	7,497,335	3,202,830	7,829,466	5,044,482	1,789,077	-	25,363,190
Educational services and support	47,256,354	18,211,907	48,718,928	25,178,041	679,432	-	140,044,662
Travel expenses	2,728,367	872,801	2,005,989	941,060	180,664	-	6,728,881
Operation of facilities	23,473,397	10,021,166	11,398,637	12,401,168	8,549	-	57,302,917
Other operating supplies and expenses	9,299,207	4,449,706	7,223,404	4,960,978	797,409	-	26,730,704
Depreciation and amortization	22,553,805	18,056,294	23,853,769	12,431,948	1,684,701	-	78,580,517
Total operating expenses	<u>262,155,019</u>	<u>133,763,702</u>	<u>265,324,503</u>	<u>143,994,805</u>	<u>11,408,774</u>	<u>-</u>	<u>816,646,803</u>
Operating loss	<u>\$ (110,933,290)</u>	<u>\$ (65,565,665)</u>	<u>\$ (110,973,616)</u>	<u>\$ (70,306,383)</u>	<u>\$ (11,408,774)</u>	<u>\$ -</u>	<u>\$ (369,187,728)</u>

**Connecticut State University System**

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

June 30, 2025

	<u>CCSU</u>	<u>ECSU</u>	<u>SCSU</u>	<u>WCSU</u>	<u>SO</u>	<u>Adjustments</u>	<u>2025</u>
Nonoperating revenues (expenses)							
State appropriations	\$ 60,140,977	\$ 35,372,845	\$ 56,942,433	\$ 39,367,415	\$ 8,612,592	\$ -	\$ 200,436,262
Pell grant revenue	20,130,708	7,452,368	18,401,397	9,061,104	-	-	55,045,577
Federal emergency grant revenue	17,716,374	10,184,410	19,443,852	18,231,999	-	-	65,576,635
Gifts	3,845,863	248,351	1,101,490	30,263	-	-	5,225,967
Investment income	7,902,485	3,522,881	5,736,948	2,372,051	8,734,867	-	28,269,232
Interest expense	(7,042)	(63,988)	(98,398)	(14,239)	(6,663,937)	-	(6,847,604)
Capital projects financed by SO	14,627,138	3,088,960	6,536,641	11,516,186	(35,768,925)	-	-
Other nonoperating revenues (expenses), net	414,672	9,669	611,445	241,433	-	-	1,277,219
Net nonoperating revenues (expenses)	<u>124,771,175</u>	<u>59,815,496</u>	<u>108,675,808</u>	<u>80,806,212</u>	<u>(25,085,403)</u>	<u>-</u>	<u>348,983,288</u>
Income (loss) before other changes in net position	13,837,885	(5,750,169)	(2,297,808)	10,499,829	(36,494,177)	-	(20,204,440)
Other changes in net position							
State appropriations restricted for capital purposes	8,688,636	4,339,867	8,787,768	3,945,279	360,211	-	26,121,761
Loss on disposal of capital assets	(29,232)	(695,193)	(39,688)	(392)	-	-	(764,505)
Derecognition of Pension	-	-	-	-	767,896,536	-	767,896,536
Derecognition of OPEB	-	-	-	-	1,198,725,315	-	1,198,725,315
Interagency transfers	(15,561,405)	(7,984,964)	(10,480,325)	(6,950,894)	40,977,588	-	-
Other changes in net position	<u>(6,902,001)</u>	<u>(4,340,290)</u>	<u>(1,732,245)</u>	<u>(3,006,007)</u>	<u>2,007,959,650</u>	<u>-</u>	<u>1,991,979,107</u>
Change in net position	6,935,884	(10,090,459)	(4,030,053)	7,493,822	1,971,465,473	-	1,971,774,667
Net position at beginning of year	<u>498,777,321</u>	<u>337,736,857</u>	<u>412,645,748</u>	<u>245,155,814</u>	<u>(2,030,028,188)</u>	<u>-</u>	<u>(535,712,448)</u>
Net position at end of year	<u>\$ 505,713,205</u>	<u>\$ 327,646,398</u>	<u>\$ 408,615,695</u>	<u>\$ 252,649,636</u>	<u>(58,562,715)</u>	<u>\$ -</u>	<u>\$ 1,436,062,219</u>

**Connecticut State University System**  
Supplemental Information – Combining Schedule of Cash Flows  
June 30, 2025

	<u>CCSU</u>	<u>ECSU</u>	<u>SCSU</u>	<u>WCSU</u>	<u>SO</u>	<u>Combining Adjustments</u>	<u>2025</u>
<b>Cash flows from operating activities:</b>							
Tuition and fees	\$ 100,062,688	\$ 32,324,782	\$ 97,825,882	\$ 42,976,586	\$ -	\$ -	\$ 273,189,938
Grants and contracts	7,828,455	4,388,004	16,733,688	7,911,411	2,480,000	-	39,341,558
Auxiliary revenues	33,295,951	30,239,134	27,351,208	18,920,116	-	-	109,806,409
Other operating revenues	3,571,105	740,414	6,435,423	1,210,036	-	-	11,956,978
Payments to employees for salaries and benefits	(148,507,954)	(78,848,320)	(163,001,518)	(81,558,841)	(6,292,917)	-	(478,209,550)
Payments to suppliers	(775,558)	(1,330,867)	(1,154,815)	(1,691,899)	(240,322)	-	(5,193,461)
Professional services and fees	(7,516,154)	(3,222,963)	(7,848,285)	(5,062,079)	(1,713,709)	-	(25,363,190)
Educational services and support	(47,256,354)	(18,211,908)	(48,718,928)	(25,178,041)	(679,432)	-	(140,044,663)
Travel expenses	(2,728,367)	(872,801)	(2,005,989)	(941,060)	(180,664)	-	(6,728,881)
Operation of facilities	(23,473,397)	(10,021,166)	(11,398,637)	(12,401,168)	(8,549)	-	(57,302,917)
Other operating supplies and expenses	(5,733,277)	(3,848,015)	(5,514,457)	(1,673,278)	(481,978)	-	(17,251,005)
Net cash used in operating activities	<u>(91,232,862)</u>	<u>(48,663,706)</u>	<u>(91,296,428)</u>	<u>(57,488,217)</u>	<u>(7,117,571)</u>	<u>-</u>	<u>(295,798,784)</u>
<b>Cash flows from noncapital financing activities:</b>							
State appropriations	60,049,038	36,879,313	59,177,139	37,999,454	8,617,965	-	202,722,909
Gifts for other than capital purposes	3,845,864	248,351	1,101,490	30,263	-	-	5,225,968
Nonoperating grants and revenue other	38,261,753	17,632,919	39,049,548	27,506,341	186,072	-	122,636,633
Interagency transfers	(15,561,405)	(8,004,500)	(10,480,325)	(6,950,894)	40,997,124	-	-
Net cash provided by noncapital financing activities	<u>\$ 86,595,250</u>	<u>\$ 46,756,083</u>	<u>\$ 88,847,852</u>	<u>\$ 58,585,164</u>	<u>\$ 49,801,161</u>	<u>\$ -</u>	<u>\$ 330,585,510</u>
<b>Cash flows from investing activities:</b>							
Proceeds from sales and maturities of investments	\$ -	\$ -	\$ -	\$ -	\$ 43,672,567	\$ -	43,672,567
Purchases of investments	-	-	-	-	(30,257,970)	-	(30,257,970)
Interest and dividends received on investments	7,873,336	3,522,881	5,736,948	2,372,053	8,367,573	-	27,872,791
Net cash provided by investing activities	<u>7,873,336</u>	<u>3,522,881</u>	<u>5,736,948</u>	<u>2,372,053</u>	<u>21,782,170</u>	<u>-</u>	<u>41,287,388</u>
<b>Cash flows from capital and related financing activities:</b>							
Purchases of capital assets	(17,376,762)	(5,268,172)	(11,284,170)	(7,530,687)	(14,287)	-	(41,474,078)
Capital projects financed by SO	2,759,562	301,532	3,992,631	6,699,606	(13,753,331)	-	-
State capital appropriations received	9,752,742	4,339,867	6,523,847	3,945,279	550,426	-	25,112,161
Principal paid on debt and other obligations	(1,209,050)	(1,602,364)	(805,163)	(430,618)	(25,318,548)	-	(29,365,743)
Interest paid on debt and other obligations	(7,042)	(63,988)	(111,212)	(14,239)	(7,826,063)	-	(8,022,544)
Net cash provided by (used in) capital and related financing activities	<u>(6,080,550)</u>	<u>(2,293,125)</u>	<u>(1,684,067)</u>	<u>2,669,341</u>	<u>(46,361,803)</u>	<u>-</u>	<u>(53,750,204)</u>
Net increase (decrease) in cash and cash equivalents	(2,844,826)	(677,867)	1,604,305	6,138,341	18,103,957	-	22,323,910
Cash and cash equivalents, beginning of year	<u>156,045,187</u>	<u>66,797,658</u>	<u>111,878,210</u>	<u>36,477,678</u>	<u>135,923,401</u>	<u>-</u>	<u>507,122,134</u>
Cash and cash equivalents, end of year	<u>\$ 153,200,361</u>	<u>\$ 66,119,791</u>	<u>\$ 113,482,515</u>	<u>\$ 42,616,019</u>	<u>\$ 154,027,358</u>	<u>\$ -</u>	<u>\$ 529,446,044</u>

**Connecticut State University System**

Supplemental Information – Combining Schedule of Cash Flows - Continued

June 30, 2025

	<u>CCSU</u>	<u>ECSU</u>	<u>SCSU</u>	<u>WCSU</u>	<u>SO</u>	<u>Combining Adjustments</u>	<u>2025</u>
Reconciliation of operating loss to net cash used in operating activities:							
Operating loss	\$ (110,933,290)	\$ (65,565,665)	\$ (110,973,616)	\$ (70,306,383)	\$ (11,408,774)	\$ -	\$ (369,187,728)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:							
Depreciation and amortization	22,553,805	18,056,294	23,853,769	12,431,948	1,684,701	-	78,580,517
Changes in assets and liabilities:							
Receivables	(2,537,053)	413,723	(956,597)	27,006	-	-	(3,052,921)
Prepaid expenses and other	2,245,271	139,976	208,594	(58,294)	36,873	-	2,572,420
Accounts payable	225,053	(811,895)	558,564	1,649,880	37,557	-	1,659,159
Accrued salaries and benefits	491,198	35,564	495,020	331,825	(128,114)	-	1,225,493
Other liabilities	(17,356)	(57,258)	311,695	4,214	680	-	241,975
Due to/from State of Connecticut	-	(353)	(17,362)	-	-	-	(17,715)
Due to/from Universities	(8,762)	(3,374)	(4,582)	(5,505)	22,223	-	-
Unearned tuition, fees and grant revenues	(3,759,390)	(872,879)	(5,181,936)	(2,826,370)	2,480,000	-	(10,160,575)
Depository accounts	283,487	107,049	133,846	129,090	-	-	653,472
Accrued compensated absences	347,404	65,467	276,177	1,134,372	157,283	-	1,980,703
Changes in deferred inflows	(123,229)	(170,355)	-	-	-	-	(293,584)
Net cash used in operating activities	<u>\$ (91,232,862)</u>	<u>\$ (48,663,706)</u>	<u>\$ (91,296,428)</u>	<u>\$ (57,488,217)</u>	<u>\$ (7,117,571)</u>	<u>\$ -</u>	<u>\$ (295,798,784)</u>
Noncash investing, noncapital financing and capital and related financing transactions:							
Fixed assets included in accounts payable	\$ 2,366,305	\$ 616,707	\$ 1,963,412	\$ 2,174,625	\$ -	\$ -	\$ 7,121,049
Reconciliation of cash and cash equivalents to the combined statements of net assets:							
Cash and cash equivalents classified as current assets	\$ 89,222,100	\$ 28,389,583	\$ 79,426,607	\$ 41,571,151	\$ 105,487,201	\$ -	\$ 344,096,642
Cash and cash equivalents classified as noncurrent assets	63,978,261	37,730,208	34,055,908	1,044,868	48,540,157	-	185,349,402
	<u>\$ 153,200,361</u>	<u>\$ 66,119,791</u>	<u>\$ 113,482,515</u>	<u>\$ 42,616,019</u>	<u>\$ 154,027,358</u>	<u>\$ -</u>	<u>\$ 529,446,044</u>

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

The supplementary schedules are presented to provide information from the stand-alone books and records of the universities and system office. The supplementary schedules exclude certain eliminating entries necessary to prepare the consolidated financial statements of CSUS.