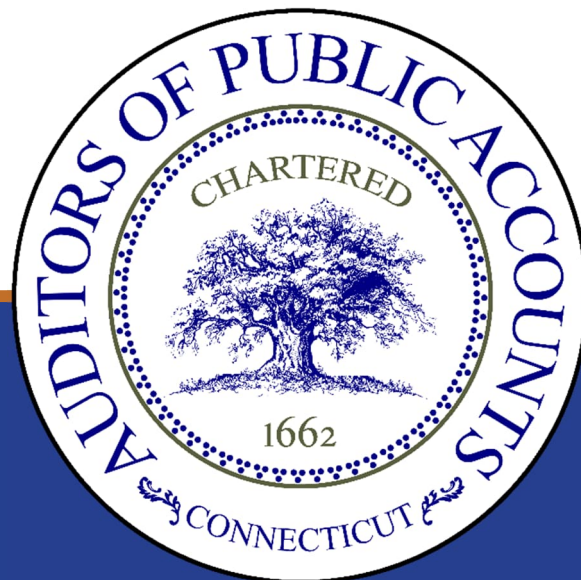


AUDITORS' REPORT

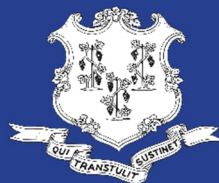
Charter Oak State College Foundation, Inc.

FOR THE FISCAL YEAR ENDED JUNE 30, 2025



STATE OF CONNECTICUT
Auditors of Public Accounts

JOHN C. GERAGOSIAN
State Auditor



CRAIG A. MINER
State Auditor

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STATE OF CONNECTICUT



AUDITORS OF PUBLIC ACCOUNTS

JOHN C. GERAGOSIAN

STATE CAPITOL
210 CAPITOL AVENUE
HARTFORD, CONNECTICUT 06106-1559

CRAIG A. MINER

January 13, 2026

INDEPENDENT AUDITORS' REPORT

The Board of Directors
Charter Oak State College Foundation, Inc.:

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the Charter Oak State College Foundation, Inc. (Foundation), which comprise the statement of financial position as of June 30, 2025, and the related statements of activities, functional expenses, and cash flows for the fiscal year then ended, and the related notes to the financial statements.

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

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Foundation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

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

Auditors' 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* 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 generally accepted auditing standards and *Government Auditing Standards*, 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 Foundation'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 Foundation'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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 13, 2026, on our consideration of the Foundation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Foundation's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Foundation's internal control over financial reporting and compliance.



John C. Geragosian
State Auditor



Craig A Miner
State Auditor

January 13, 2026
State Capitol
Hartford, Connecticut

CHARTER OAK STATE COLLEGE FOUNDATION, INC.

STATEMENT OF FINANCIAL POSITION

June 30, 2025

Assets

Cash and cash equivalents	\$ 180,308
Investments	2,623,187
Pledges receivable	<u>92,945</u>

Total Assets	\$ 2,896,440
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Liabilities and Net Assets

Liabilities

Grants payable	\$ <u>-</u>
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Total Liabilities	\$ <u>-</u>
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Net Assets

Without donor restrictions	480,859
With donor restrictions	<u>2,415,581</u>

Total Net Assets	<u>2,896,440</u>
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Total Liabilities and Net Assets	\$ <u>2,896,440</u>
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The accompanying notes are an integral part of the financial statements.

CHARTER OAK STATE COLLEGE FOUNDATION, INC.

STATEMENT OF ACTIVITIES

For the fiscal year ended June 30, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues and Support			
Contributions	\$ 64,746	\$ 267,735	\$ 332,481
Contributed wages	58,995	-	58,995
Investment return, net	58,318	224,920	283,238
Net assets released from restrictions	325,330	(325,330)	-
Total Revenues and Support	507,389	167,325	674,714
Expenses			
Program	427,483	-	427,483
Management and general	93,766	-	93,766
Fundraising	62,347	-	62,347
Total Expenses	583,596	-	583,596
Change in Net Assets	(76,207)	167,325	91,118
Net Assets - beginning of year	<u>557,066</u>	<u>2,248,256</u>	<u>2,805,322</u>
Net Assets - end of year	<u>\$ 480,859</u>	<u>\$ 2,415,581</u>	<u>\$ 2,896,440</u>

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

CHARTER OAK STATE COLLEGE FOUNDATION, INC.

STATEMENT OF FUNCTIONAL EXPENSES

For the fiscal year ended June 30, 2025

	Program	Management and General	Fundraising	Total
Scholarships and grants	\$ 401,675	\$ -	\$ -	\$ 401,675
Personnel	11,397	11,397	36,201	58,995
Professional fees	-	71,844	23,363	95,207
Miscellaneous	14,411	10,525	2,783	27,719
	<hr/>	<hr/>	<hr/>	<hr/>
Total	\$ 427,483	\$ 93,766	\$ 62,347	\$ 583,596

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

CHARTER OAK STATE COLLEGE FOUNDATION, INC.

STATEMENT OF CASH FLOWS

For the fiscal year ended June 30, 2025

Cash flows from operating activities:

Change in net assets	\$ 91,118
Adjustments to reconcile change in net assets to net change in cash from operating activities:	
Unrealized (gains)/losses on investments	(188,098)
Realized gains on investments	(37,839)
(Increase)/decrease in assets:	
Accounts receivable	<u>(42,119)</u>
Net change in cash from operating activities	<u>(176,938)</u>

Cash flows from investing activities:

Purchase of investments	(106,562)
Sales of investments	<u>287,000</u>
Net change in cash from investing activities	<u>180,438</u>

Net change in cash and cash equivalents 3,500

Cash and cash equivalents - beginning of year 176,808

Cash and cash equivalents - end of year \$ 180,308

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

CHARTER OAK STATE COLLEGE FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

NOTE 1 - ORGANIZATION

The Charter Oak State College Foundation, Inc. (Foundation) operates exclusively for charitable and educational purposes. The Foundation promotes interest in and support of open learning and credentialing in higher education. The Foundation solicits contributions of funds for the support of such activities for the benefit of Charter Oak State College.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation - The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Net assets, revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions.

The Foundation complies with the *Financial Statements of Not-for-Profit Organizations* topic of the Financial Accounting Standards Board (FASB) Codification. Under this topic, the Foundation is required to report information regarding its financial position and activities according to two classes of net assets:

Net assets without donor restrictions - These net assets are defined as assets that are free of donor-imposed restrictions and include all investment income and appreciation not subject to donor-imposed restrictions.

Net assets with donor restrictions - These net assets include contributions, unconditional promises to give and other inflows of assets whose use by the Foundation is limited by donor-imposed stipulations that either expire by the passage of time, can be fulfilled and removed by actions of the Foundation, or may be perpetual. This classification includes investment income and appreciation, which can be expended, but for which restrictions have not yet been met.

Contributions - The Foundation reports unconditional promises to give as revenue when the promise is received. Conditional promises to give with a measurable performance barrier and right of return or release are recognized as revenue when the condition is met. Contributions received are recorded as with or without donor restrictions depending on the existence and/or nature of any donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Donated Services - The College provides administrative staffing to the Foundation at no cost. Staffing expense and the corresponding in-kind contribution from the College have been recognized in the statement of activities. Salaries provided by the College totaled \$58,995 for the year ended June 30, 2025.

Federal Income Taxes - The Foundation is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code, and therefore, has no provision for federal or state income taxes. In addition, the Foundation qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization that is not a private foundation.

Cash and Cash Equivalents - Cash and cash equivalents consist of cash in checking and savings accounts.

Investments – The Foundation carries investments in marketable securities with readily determinable fair values and all investments in debt securities at their fair values in the statements of financial position.

Investment Income and Gains – Investment income and gains restricted by donors are reported as increases in net assets without donor restrictions if the restrictions are met (either a stipulated time period ends, or a purpose restriction is accomplished) in the reporting period in which the income and gains are recognized.

Unrealized gains and losses are included in the change in net assets in the accompanying statement of activities. Realized and unrealized gains and losses on donor restricted endowment funds that have no donor stipulated intent are included in net assets with donor restrictions under State law, which allows the Board to appropriate as much of the net appreciation of investments as is prudent considering the Foundation's long and short-term needs, present and anticipated financial requirements, expected total return on its investments, price level trends and general economic conditions.

Fair Value – The Foundation adheres to the *Fair Value Measurements* topic of the FASB Codification for all assets that are recognized or disclosed at fair value in the financial statements on a recurring basis (at least annually). The *Fair Value Measurements* topic defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. The *Fair Value Measurements* topic defines fair value as the price that would be received upon sale of an asset or paid upon transfer of a liability in an orderly transaction between market participants at the measurement date and in the principal or most advantageous market for that asset or liability. The fair value should be calculated based on assumptions that market participants would use in pricing the asset or liability, not on assumptions specific to the entity.

In addition to defining fair value, the *Fair Value Measurements* topic expands the disclosure requirements around fair value and establishes a fair value hierarchy for valuation inputs. The hierarchy prioritizes the inputs into three levels based on the extent to which inputs used in measuring fair value are observable in the market. Each fair value measurement is reported in one of the three levels which is determined by the lowest level input that is significant to the fair value measurement in its entirety.

These levels are:

Level 1 – inputs are based upon unadjusted quoted prices for identical instruments traded in active markets.

Level 2 – inputs are based upon quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model-based valuation techniques for which all significant assumptions are observable in the market or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 – inputs are generally unobservable and typically reflect management's estimates of assumptions that market participants would use in pricing the asset or liability. The fair values are therefore determined using model-based techniques that include option pricing models, discounted cash flow models, and similar techniques.

Concentrations – The Foundation maintains its cash in bank accounts which, at times, may exceed federally insured limits. The Foundation has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash or cash equivalents.

Four donors comprised 66% of contributions for the year ended June 30, 2025.

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 effect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Functional Expenses – Grant expenses are classified as program and all other expenses are classified as fundraising or management and general. Management and general expenses as well as fundraising support the grant making activity of the Foundation. No costs are allocated among the three categories.

Subsequent Events Measurement Date – The Foundation monitored and evaluated any subsequent events for footnote disclosures or adjustments required in its financial statements for the year ended June 30, 2025, through January 13, 2026, the date on which financial statements were available to be issued.

NOTE 3 – AVAILABILITY AND LIQUIDITY

The following represents the Foundation’s financial assets available to meet general expenditures over the next twelve months as of June 30, 2025:

Cash and cash equivalents	\$	180,308
Investments		2,623,187
Pledges receivable		<u>92,945</u>
Total financial assets		2,896,440
Less net assets with donor restrictions		(2,415,581)
Less board designated quasi endowment		(445,849)
Net assets with donor restrictions expected to be released		238,243
Allowable spending draw		<u>139,493</u>
Financial assets available to meet general expenditures over the next twelve months	\$	<u>412,746</u>

NOTE 4 – INVESTMENTS

The fair value of the Foundation’s investments, measured using Level 1 inputs, is as follows at June 30, 2025:

Short term	\$	10,094
Fixed income funds		743,403
Equity funds		<u>1,869,690</u>
Total investments	\$	<u>2,623,187</u>

NOTE 5 – ENDOWMENT

Endowment Investment and Spending Policies – The Charter Oak State College foundation’s endowment consists of individual funds established for scholarship and program services. The endowment includes donor-restricted funds. As required by *generally accepted accounting principles* (GAAP), net assets associated with endowment funds are classified and reported based on the existence of donor-imposed restrictions.

The Foundation’s board of directors has interpreted the State of Connecticut Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the face value of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies as donor restricted net assets (a) the original value of gifts donated to the permanent endowment, and (b) the original value of subsequent gifts to the permanent

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

- The duration and preservation of the fund.
- The purposes of the Foundation and the donor-restricted endowment fund.
- The general economic conditions.
- The possible effects of inflation and deflation.
- The expected total return from income and appreciation of investment.
- The investment policies of the organization.

From time to time, the fair market value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Foundation to retain as a fund of perpetual duration. Despite this adverse investment performance, the annual income generated from the Foundation's investment portfolio will be used to support programs deemed prudent by the board of directors. There were no such deficiencies as of June 30, 2025.

The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Foundation must hold in perpetuity or for a donor-specified period. Under this board-approved policy, the endowment assets are invested in the following asset classes: bonds, domestic equities, and international equities. These asset classes are intended to produce results that will approximate the price and yield performance generated by an appropriate major bond or stock index relevant to each specific asset class held by the Foundation.

A major function of the board's Investment Committee is to determine the percentage allocation amount among the asset classes. Factors to be weighed in reaching any such decision are the need for income, the desire for asset appreciation, economic outlook both near and longer term, and the risk level associated with each asset class.

The changes in the Foundation's endowment are as follows:

	Board Designated Endowment	Donor Restricted Endowment	Total
Balance at June 30, 2024	\$ 530,762	\$ 2,046,926	\$ 2,577,688
Interest and dividends, net of fees	11,664	44,984	56,648
Realized and unrealized losses	46,654	179,936	226,590
Additions	25,826	23,435	49,261
Appropriation for expenditures	(169,057)	(117,943)	(287,000)
Balance at June 30, 2025	<u>\$ 445,849</u>	<u>\$ 2,177,338</u>	<u>\$ 2,623,187</u>

The Foundation's donor restricted endowment is comprised of the following at June 30, 2025:

	Held in Perpetuity	Aggregate Earnings	Total
Educational Lectures	\$ 95,283	\$ 158,307	\$ 253,590
Scholarships and Grants	386,443	629,784	1,016,227
Technology	103,383	164,185	267,568
WIT	162,585	477,368	639,953
Total endowment with donor restrictions	<u>\$ 747,694</u>	<u>\$ 1,429,644</u>	<u>\$ 2,177,338</u>

NOTE 6 - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are as follows as of June 30, 2025:

	Endowment	Purpose	Total
Educational Lectures	\$ 253,590	\$ -	\$ 253,590
Scholarships and Grants	1,016,227	46,008	1,062,235
Technology	267,568	-	267,568
WIT	639,953	152,585	792,538
Other	-	39,650	39,650
Total net assets with donor restrictions	<u>\$ 2,177,338</u>	<u>\$ 238,243</u>	<u>\$ 2,415,581</u>

Net assets released from restrictions were as follows for the fiscal year ended June 30, 2025:

Scholarships and Grants	\$ 14,643
Technology	28,000
WIT	90,000
Building a Healthcare Information Management Pathway	67,417
Other	<u>125,270</u>
Total releases	<u>\$ 325,330</u>

STATE OF CONNECTICUT



AUDITORS OF PUBLIC ACCOUNTS

JOHN C. GERAGOSIAN

STATE CAPITOL
210 CAPITOL AVENUE
HARTFORD, CONNECTICUT 06106-1559

CRAIG A. MINER

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

The Board of Directors
Charter Oak State College Foundation, Inc.:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Charter Oak State College Foundation, Inc. (Foundation), which comprise the statement of financial position as of June 30, 2025, and the related statements of activities, functional expenses and cash flows for the fiscal year then ended, and the related notes to the financial statements, which collectively comprise the Foundation's basic financial statements, and have issued our report thereon dated January 13, 2026.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Foundation's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Foundation's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Foundation's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Foundation's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Foundation's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



John C. Geragosian
State Auditor



Craig A. Miner
State Auditor

January 13, 2026
State Capitol
Hartford, Connecticut

STATE OF CONNECTICUT



AUDITORS OF PUBLIC ACCOUNTS

JOHN C. GERAGOSIAN

STATE CAPITOL
210 CAPITOL AVENUE
HARTFORD, CONNECTICUT 06106-1559

CRAIG A. MINER

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH THE PROVISIONS OF SECTIONS 4-37e TO 4-37k OF THE CONNECTICUT GENERAL STATUTES

The Board of Directors
Charter Oak State College Foundation, Inc.:

Report on Compliance with the Provisions of Sections 4-37e to 4-37k

Opinion

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, the financial statements of the Charter Oak State College Foundation, Inc. (Foundation), which comprise the statement of financial position as of June 30, 2025, and the related statements of activities, functional expenses and cash flows for the fiscal year then ended, and the related notes to the financial statements, which collectively comprise the Foundation's basic financial statements, and have issued our report thereon dated January 13, 2026.

In our opinion, the Foundation complied in all material respects with the provisions of Sections 4-37e to 4-37k of the Connecticut General Statutes for the fiscal year ended June 30, 2025.

Basis for Opinion

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities section of our report. We are required to be independent of the Foundation and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. Our audit does not provide a legal determination of the Foundation's compliance with the requirements of the provisions of Sections 4-37e to 4-37k of the Connecticut General Statutes.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements of the provisions of Sections 4-37e to 4-37k of the Connecticut General Statutes and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Foundation.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Foundation's compliance based on our audit. 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 generally accepted auditing standards will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Foundation's compliance with the requirements of the provisions of Sections 4-37e to 4-37k of the Connecticut General Statutes.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Foundation's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Foundation's internal control over compliance 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 Foundation's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions to prevent, or detect and correct, noncompliance with referenced statutory provisions on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with referenced statutory provisions will not be prevented or detected and corrected on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with referenced statutory provisions that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit, we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that have not been identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Purpose of this Report

The purpose of this report on compliance is solely to describe the scope of our testing of compliance and the results of that testing, based on the requirements of the provisions of Sections 4-37e to 4-37k of the Connecticut General Statutes. Accordingly, this communication is not suitable for any other purpose.



John C. Geragosian
State Auditor



Craig A. Miner
State Auditor

January 13, 2026
State Capitol
Hartford, Connecticut

STATE OF CONNECTICUT



AUDITORS OF PUBLIC ACCOUNTS

JOHN C. GERAGOSIAN

STATE CAPITOL
210 CAPITOL AVENUE
HARTFORD, CONNECTICUT 06106-1559

CRAIG A. MINER

MANAGEMENT LETTER

The Board of Directors
Charter Oak State College Foundation, Inc.:

In planning and performing our audit of the financial statements of the Charter Oak State College Foundation, Inc. (Foundation) for the fiscal year ended June 30, 2025, we considered the Foundation's internal control and compliance with certain provisions of laws, regulations, contracts, and grant agreements as a basis for designing our audit procedures for the purpose of expressing an opinion on the financial statements and compliance with Sections 4-37e through 4-37k of the Connecticut General Statutes, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Foundation's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified.

STATE AUDITORS' FINDINGS AND RECOMMENDATIONS

Our review did not identify any areas that required disclosure or corrective action.

STATUS OF PRIOR AUDIT RECOMMENDATIONS

Our [prior audit report](#) on the Charter Oak State College Foundation, Inc. contained no recommendations.

ACKNOWLEDGEMENTS

The Auditors of Public Accounts wish to express our appreciation for the courtesies and cooperation extended to our representatives by the personnel of the Charter Oak State College Foundation, Inc. during the course of our examination.

The Auditors of Public Accounts also would like to acknowledge the auditors who contributed to this report:

Jamie Drozdowski



Jamie Drozdowski
Principal Auditor

Approved:



John C. Geragosian
State Auditor



Craig A Miner
State Auditor