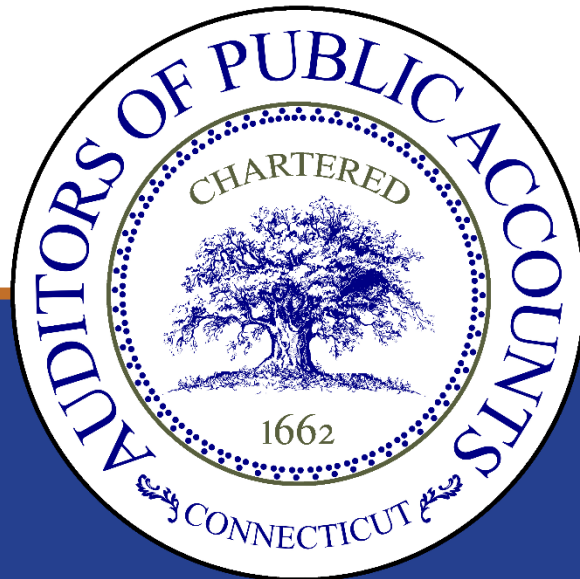


# AUDITORS' REPORT

---

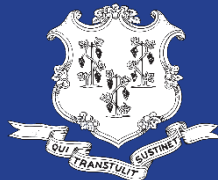
## **Southern Connecticut State University**

FISCAL YEARS ENDED JUNE 30, 2021 AND 2022



**STATE OF CONNECTICUT**  
Auditors of Public Accounts

**JOHN C. GERAGOSIAN**  
State Auditor



**CRAIG A. MINER**  
State Auditor

# CONTENTS

---

INTRODUCTION.....	3
STATE AUDITORS' FINDINGS AND RECOMMENDATIONS.....	4
Purchasing Cards (P-Card) Control Weaknesses.....	4
Purchasing of Professional Services Control Weaknesses.....	6
Noncompliance with Procurement Policy.....	7
Trustee Account Procurement Control Weakness.....	9
Unrecorded Assets.....	11
Facilities Usage Revenue Agreements Control Weakness.....	13
Information System Access - Untimely Terminations.....	14
Lack of Salary Analysis - Management Salaries.....	15
Student Account Management Control Weakness.....	16
Part-Time Faculty/Lecturer Control Weakness - Appointment Contracts.....	18
Overpayment of Sick Leave Balance at Separation.....	19
Untimely Cancellation of Unwanted Checks.....	20
Undocumented Compensating Controls.....	21
Inadequate Controls over Rehired Retiree.....	22
STATUS OF PRIOR AUDIT RECOMMENDATIONS.....	24
OBJECTIVES, SCOPE, AND METHODOLOGY.....	26
ABOUT THE AGENCY.....	28

STATE OF CONNECTICUT



AUDITORS OF PUBLIC ACCOUNTS

JOHN C. GERAGOSIAN

STATE CAPITOL  
210 CAPITOL AVENUE  
HARTFORD, CONNECTICUT 06106-1559

CRAIG A. MINER

November 5, 2025

INTRODUCTION

We are pleased to submit this audit of Southern Connecticut State University (SCSU) for the fiscal years ended June 30, 2021 and 2022 in accordance with the provisions of Section 2-90 of the Connecticut General Statutes. Our audit identified internal control deficiencies and instances of noncompliance with laws, regulations, or policies.

The Auditors of Public Accounts wish to express our appreciation for the courtesies and cooperation extended to our representatives by the personnel of Southern Connecticut State University during the course of our examination.

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

Andrew Collins  
Mark Fortin  
Marva Robinson  
Linnette Stark

A handwritten signature in black ink that reads "Marva N. Robinson".

Marva Robinson  
Principal Auditor

Approved:

A handwritten signature in black ink, appearing to be "John C. Geragosian".

John C. Geragosian  
State Auditor

A handwritten signature in black ink that reads "Craig A. Miner".

Craig A Miner  
State Auditor

# STATE AUDITORS' FINDINGS AND RECOMMENDATIONS

Our examination of the records of Southern Connecticut State University disclosed the following 14 recommendations, of which seven were repeated from the previous audit.

## **Finding 1**

### **Purchasing Cards (P-Card) Control Weaknesses**

#### **Background**

Southern Connecticut State University uses the state's purchasing card (P-Card) program to make certain inexpensive purchases not to exceed \$2,500. The program is sponsored by the Department of Administrative Services Procurement Services and the Office of the State Comptroller.

#### **Criteria**

Southern Connecticut State University's Purchasing Card (P-Card) Policies and Procedures Manual states that every transaction charged to a purchasing card must be supported by a receipt. The manual also restricts use to the assigned cardholder and requires the cardholder to reconcile transactions by the tenth day of the following month.

The SCSU P-Card Policies and Procedures Manual also requires that all goods purchased on P-Cards be delivered to the university campus. It also prohibits the splitting of a single purchase into multiple purchases to circumvent the single transaction dollar limit.

The SCSU Resident Advisor Manual states that individuals wishing to use an organization or department P-Card must complete an online P-Card Authorization Form prior to use.

#### **Condition**

We reviewed five months of P-Card purchases for 15 cardholders totaling \$77,342 and noted:

1. Nine P-Card purchases by four cardholders, totaling \$2,117, lacked documentation supporting the purchases.
2. Someone other than the cardholder made three purchases, totaling \$1,321, on two P-Cards.
3. Thirty-four transactions, totaling \$14,451, in which the university did not provide a P-Card Authorization Form

approving the use of three department or organization P-Cards.

4. Four instances in which the university lacked adequate support to verify that the cardholder completed timely monthly P-Card reconciliations.
5. Ten instances in which purchases by three cardholders, totaling \$2,965, were not delivered to an address on the university's campus.
6. Four purchases that appear to have been split to circumvent the \$2,500 single purchase dollar limit. The university placed orders for \$1,038, \$910, \$1,377, and \$467 (totaling \$3,792) with one vendor, on the same day.

**Context**

P-Card purchases totaled \$2,324,077 and \$3,992,495 in fiscal years 2021 and 2022, respectively. We judgmentally selected three cards from each of the five months reviewed; two months from fiscal year 2021 and three from fiscal year 2022.

**Effect**

Noncompliance with purchasing card policies and procedures decreases assurance that purchases were appropriate and properly supported.

**Cause**

Cardholders did not date monthly P-Card reconciliations, maintain receipts for purchase or document approval to use department P-Cards. Employees ignored P-Card requirements prohibiting the splitting of purchases and use of P-Cards by someone other than the assigned cardholder. Deliveries of goods to addresses other than the university's campus were a result of disruptions to operations caused by the COVID-19 pandemic.

**Prior Audit Finding**

This finding has previously been reported in the last five audit reports covering the fiscal years 2010 through 2020.

**Recommendation**

Southern Connecticut State University should strengthen internal controls over purchasing card transactions by complying with the SCSU P-Card Policies and Procedures Manual.

**Agency Response**

1. "We agree with this finding. However, we would like to point out Southern's internal control process is able to detect the errors and take corrective action.
2. We agree with this finding. Even though with permission, purchases are allowed to be made by someone in the department other than the P-Card holder. Going forward, documentation will be obtained allowing the authorization.

3. We disagree with this finding. P-card authorization forms are not part of the P-Card policy, but an internal control within Residence Life and Student Life. This is not part of the university's P-Card policy and therefore should not be considered an audit finding.
4. We agree with this finding. All P-Cards are reconciled online monthly, but there is no time/date stamp collected to show when the cards are reconciled online.
5. We agree with this finding. Since many university employees work remotely since COVID 19, items are sometimes shipped to an employee's home since it is their primary workplace. Going forward, the university will be amending the P-card guidelines regarding home deliveries to account for the change in working conditions.

In review, Southern's P-Card program processes over 20,000 P-Card transactions annually. Many of these transactions are made procedurally correct. Audits are completed on P-Cards, and violations are noted on the P-Card holders audit sheet. We work directly with the P-Card holders to be sure that they are informed with P-Card procedures."

**Auditors' Concluding Comments**

The university's P-Card Authorization Form explicitly states that the form will be completed when a user is seeking permission to use the P-card to purchase goods and/or services listed on the form. Since the completed form documents authorization to use the P-Card, the absence of such form would indicate a weakness in the university's internal controls over the use of P-cards.

**Finding 2**  
**Purchasing of Professional Services Control Weaknesses**

**Criteria**

The university's internal controls require appropriate personnel to approve purchases before the university places an order. This includes approving personal service agreements (PSA) prior to the start of the outlined work.

**Condition**

We reviewed ten professional services expenditures and accompanying purchase orders totaling \$348,776, and noted the following:

1. The university approved two personal service agreements, totaling \$10,875, after work began. The university approved one agreement 16 days after start of the contract period and the other 21 days after the end of the contract period.
2. The university approved one \$7,400 purchase requisition and order 31 days after the invoice.

<b>Context</b>	The university expended \$4,465,383 and \$5,058,205 for professional services in fiscal years 2021 and 2022, respectively. We judgmentally selected ten expenditures, five from each fiscal year, totaling \$205,314.
<b>Effect</b>	There is decreased assurance that funding will be available for purchases when orders are placed without prompt and proper approvals of personal service agreements.
<b>Cause</b>	The university cited understaffing issues that delayed the approvals.
<b>Prior Audit Finding</b>	This finding has not been previously reported.
<b>Recommendation</b>	Southern Connecticut State University should ensure that expenditures are reviewed and approved in accordance with applicable purchasing policies and procedures.
<b>Agency Response</b>	"We agree with this finding. The manager of Procurement Services continues to educate the university constituency on the proper timeline for approvals of both personal service agreements and purchase requisitions. However, there are times when Procurement Services receive these documents after the service has occurred or the goods have been received. In these cases, Procurement Services required a Late Justification Form be submitted by the requesting department to document the reason purchasing policies were not followed. Procurement Services will continue to educate and provide guidance on the proper timeline for submittal of these documents."

## Finding 3

# Noncompliance with Procurement Policy

<b>Criteria</b>	The Connecticut State Colleges and Universities (CSCU) Procurement Manual requires the university, when possible, to obtain more than one quote or compare pricing to ensure that the university receives the best value on purchases. The manual recommends that, when possible, the university compare prices of
-----------------	--

vendors on available state contracts such as Department of Administrative Services (DAS) multi-vendor awards.

The manual also requires that purchases of more than \$50,000 in value be based on competitive bids or proposals obtained via a sealed bidding process, when possible. University personnel should also justify, review, and approve sole source and emergency purchases made without a competitive procurement process.

The university's internal controls require a university official with appropriate authority to approve purchase orders prior to making an expenditure.

**Condition**

We reviewed 20 non-personal expenditure transactions totaling \$1,874,639 and noted the following:

1. The university did not provide documentation to support the selection of one vendor for a \$19,680 expenditure.
2. The university did not utilize a competitive sealed bidding process when procuring a \$93,925 purchase for services related to the graduation commencement ceremony.
3. The appropriate university personnel did not approve two sole source purchases, totaling \$37,049.
4. The appropriate university personnel did not approve a \$104,217 purchase order prior to purchase.

**Context**

Expenditures totaled \$36,941,933 and \$14,295,894 in fiscal years 2021 and 2022, respectively. We judgmentally selected 20 transactions, totaling \$1,874,639, for testing.

**Effect**

Lack of price comparisons and proper approvals decreases assurance that the university obtained goods and services at the best value and increases risk of improper purchases.

**Cause**

The university attributed the lack of a formal request for proposal process for graduation commencement to time constraints due to COVID-19.

The sole source justification form does not include a field for an approval signature.

**Prior Audit Finding**

This finding has previously been reported, in part, in the last two audit reports covering the fiscal years 2017 through 2020.

**Recommendation**

Southern Connecticut State University should strengthen internal controls to ensure compliance with established purchasing policies.

## Agency Response

1. "We agree with this finding. However, this decision was made due to an extremely tight timeline to have an outside undergraduate commencement ceremony during COVID 19. Given the short timeline it would not have been possible to conduct a formal RFP process. Therefore, the decision was made to obtain three (3) quotes to ensure that the university was obtaining competitive pricing.
2. We agree with this finding. In the case of sole source purchases without appropriate approvals, the manager of Procurement Services has educated staff to ensure that the appropriate approvals are on the form prior to processing the purchase order.
3. We agree with this finding. The manager of Procurement Services signed the purchase order in question as part of a larger batch of purchase orders in error. Safeguards have been put into place to ensure that the manager of Procurement Services only signs purchase orders under \$100,000.00. Purchase orders will be reviewed by Procurement personnel prior to sending out for signature to ensure that the correct signatories receive the purchase orders that are under their signing authority."

## Finding 4

# Trustee Account Procurement Control Weakness

### Background

Southern Connecticut State University collects a student activity fee from full-time undergraduate students and uses these funds to support extracurricular activities including student clubs.

### Criteria

The university's internal controls require that appropriate personnel approve purchases before placing an order and that the university makes payments only after the vendor provides its services.

### Condition

We reviewed ten student activity fund expenditures, totaling \$49,614, and found two instances, totaling \$12,727, in which the university approved the purchase requisitions and orders after the invoice date. In one of these instances, the university paid the vendor in full, totaling \$5,500, prior to receiving the service.

### Context

The university's non purchasing card transactions from the student activity fund totaled \$174,363 and \$329,361 during fiscal year 2021 and 2022. We judgmentally selected ten for testing.

**Effect** There is decreased assurance that funding will be available for purchases when orders are placed without timely approval. There is no guarantee that the university receives services when it pays the vendor in advance.

**Cause** Personnel made approved purchases without going through the appropriate requisition process.

**Prior Audit Finding** This finding has not been previously reported.

**Recommendation** Southern Connecticut State University should strengthen internal controls to ensure compliance with applicable purchasing policies and procedures.

**Agency Response** "We agree with this finding. We recognize the importance of adhering to established internal controls, particularly those requiring proper approvals prior to making commitments and ensuring payments are made only after goods or services have been received. Our corrective action plans are:

1. Training and Communication: The University's Business Services and Student Affairs divisions will jointly conduct targeted training for all faculty, staff, and student leaders involved in managing student activity funds. This training will emphasize procurement requirements, including the need for pre-approval and proper documentation before initiating purchases or services.
2. Process Review: We are reviewing our internal procedures related to student activity fund expenditures to identify and address process gaps. This includes strengthening checks within our procurement system (Banner) to flag and prevent approvals after the fact.
3. Payment Controls: The Accounts Payable team will reinforce payment timing protocols with departments to ensure payments are not released prior to confirmation of goods received or services rendered, except where contracts explicitly permit otherwise (e.g., deposits for events).

Corrective actions will begin immediately, with training scheduled for the start of the fall academic semester. Full implementation of updated procedures is expected by the end of the calendar year.

Southern Connecticut State University is committed to continuous improvement in financial stewardship and will ensure corrective steps are implemented to prevent recurrence."

## Finding 5

# Unrecorded Assets

<b>Criteria</b>	<p>The State of Connecticut Property Control Manual and the Connecticut State Colleges and Universities (CSCU) Capital &amp; Controllable Asset Manual require that capital equipment must be tagged with a unique identification number immediately upon receipt and recorded into the inventory record. The inventory record should include the equipment's description, tag number, value, and other information. The value should consist of the purchase price, ancillary costs, (such as freight charges), and may include accessory or component costs.</p>
<b>Condition</b>	<p>We reviewed 20 equipment purchases made during fiscal years 2021 and 2022, totaling \$508,405. The university did not promptly tag 12 items, totaling \$474,794, and enter them in its inventory records. The university recorded 11 items in inventory between one and 95 days late. It recorded another item 383 days after receipt.</p> <p>The university also undervalued the inventory records for three items by \$6,308, totaling \$28,882. The three items' costs did not include \$162 for freight charges, \$2,050 for component costs, and \$4,096 for accessory costs.</p>
<b>Context</b>	<p>The university expended \$480,907 and \$2,300,403 for equipment purchases during fiscal years 2021 and 2022, respectively. We randomly selected 20 capital expenditure transactions, seven from fiscal year 2021 and 13 from fiscal year 2022.</p>
<b>Effect</b>	<p>Assets that are not promptly tagged and inventoried are more susceptible to theft and loss.</p> <p>Improper valuation of assets in the inventory record results in inaccurate inventory amounts that impacts depreciation and insurance valuation.</p>
<b>Cause</b>	<p>The university cited understaffing, budget cuts, hiring freezes, and the COVID-19 pandemic for the late tagging and recording of equipment. A lack of managerial oversight and judgment contributed to the inaccurate asset valuation in the inventory record.</p>
<b>Prior Audit Finding</b>	<p>This finding has not been previously reported.</p>
<b>Recommendation</b>	<p>Southern Connecticut State University should strengthen its internal controls to ensure assets are promptly tagged, entered into the inventory system, and recorded at the proper value in compliance</p>

with the State of Connecticut Property Control Manual and CSU Capital and Controllable Asset Manual.

## **Agency Response**

“We agree with this finding. As an agency, SCSU makes every effort to tag equipment that meets our criteria for capital or controllable asset tracking upon receipt of the items. Equipment that arrives at our university through the proper receiving channels is tagged expeditiously. However, in cases where deliveries are directly delivered to departments on campus incorrectly by package/freight carriers, it becomes the responsibility of the department representatives to timely report equipment received to the Receiving Department so that the property control team can tag the equipment. If no receipt notification has occurred, then finance departments on campus reach out to the department representative and Property Control when an invoice that potentially meets criteria for inventory appears to be received and arrangements are then made by Property Control to create an inventory record and tag the asset.

In the case of equipment purchased that requires installation by a vendor, the property control team will wait to tag equipment until installation is finalized to ensure that equipment are physically tagged appropriately. Each of these scenarios can delay the time between receipt of an asset on campus and its entry into the inventory database by Property Control, but controls do remain in place for tagging and data entry to still occur.

This audit (FY21 and FY22) took place during the COVID-19 pandemic which dramatically impacted the timing of tagging assets due to the reduction of the Property Control Department’s staffing by attrition, which occurred in concert with remote university operations for campus staff outside of Property Control. These two factors slowed the reporting time in tagging assets that were received outside of the Receiving Department and have since been corrected through the hiring of a new assistant property control coordinator and the return to campus of most staff with a vast reduction in hours for those still working remote.

In the case of assets being undervalued in the inventory record, our finance departments strive to reconcile our inventory database, eEquip, to our financial system, Banner. However, Banner always remains the system of record for financial information whereas eEquip is the system of record for inventory / physical locations. eEquip is designed to overlap these criteria to provide information to the Property Control office and its stakeholders, but Banner remains the financial system and any financial records in Banner supersede financial documentation in eEquip.”

## Finding 6

# Facilities Usage Revenue Agreements Control Weakness

<b>Criteria</b>	<p>In March 2019, the Office of the Attorney General (OAG) provided a facilities usage agreement template for the university to follow. This template contains required payment terms including a 25% deposit due upon signing the agreement. The deposit is non-refundable unless the user cancels the agreement within 60 days of the event.</p>
<b>Condition</b>	<p>We reviewed six facilities use agreements in place during the audited period, totaling \$108,395. Our review disclosed that none of the six agreements required a deposit, and final payments for four were six to 30 days late.</p> <p>Our review also disclosed that the university modified the approved facilities use agreement by removing the deposit requirement without Office of the Attorney General approval.</p>
<b>Context</b>	<p>The university entered into 34 facilities use agreements totaling \$234,781 during fiscal years 2021 and 2022. We judgmentally selected six facilities use agreements for testing.</p>
<b>Effect</b>	<p>Failing to collect a deposit or promptly pursue the collection of late facility usage payments decreases assurance that the university will receive all amounts due.</p>
<b>Cause</b>	<p>Facilities use agreements were signed close to the date of the event making it difficult to promptly collect a deposit and final payment.</p>
<b>Prior Audit Finding</b>	<p>This finding has previously been reported in the last six audit reports covering the fiscal years 2008 through 2020.</p>
<b>Recommendation</b>	<p>Southern Connecticut State University should use the current contract template for facilities use agreements, clearly define deposit charges and due dates, and promptly collect late facility usage payments.</p>
<b>Agency Response</b>	<p>"We agree with this finding. The university has been cited in past audits due to the requirement in the Facilities Use Agreement Template to insert deposit and final payment dates. While the university does its best to collect all funds due in accordance with agreement terms, the reality is that the university is reliant on the</p>

contractor who is renting the facility to follow the payment due dates as outlined in the agreement. The university should not be held responsible when a payment is delayed, or a contractor decides they are going to pay the entire amount rather than a deposit. Although payments may not have been received on the due dates outlined in the agreement, all payments were received. Procurement Services continues to educate facilities managers on the Facilities Use Agreement process and have advised payments should be made in accordance with the agreement and changes should not be made to the OAG template.

This is going to continue to come up since SCSU is dependent on the contractors to follow the dates in the agreement. Purchasing has requested facilities managers to obtain payments in accordance with the agreement. Despite effort, the payments are not received on the exact dates. Purchasing will ask the CSCU System Office if SCSU can modify the template allowing the language to be less restrictive.”

**Auditors’ Concluding Comments**

The contract template includes a stipulation imposing a deposit of 25% of the fee amount which is to be submitted with the signed agreement if the contractor is not a state agency. The template also includes a breakdown of the costs with applicable due dates. In the exceptions noted, the deposit amount was either deleted from the payment terms or reported as \$0. Therefore, rather than contractors not promptly submitting payments, the university did not enforce the deposit requirement or seek Office of the Attorney General approval to change the contract terms. The university can also impose a penalty for unpaid deposits.

**Finding 7**

**Information System Access – Untimely Terminations**

**Background**

The Connecticut State University System (CSUS), primarily uses an automated information system, Banner, to maintain its accounting and student academic records.

**Criteria**

Access to information systems should be limited to employees who need such access to perform their duties. The university should promptly terminate Banner access upon their separation from employment.

**Condition**

We examined the status of Banner information system privileges for 15 employees who separated from university employment during the audited period. In seven instances, the university did not

promptly terminate the employee's Banner user account upon their separation from the university for 11 to 165 days.

<b>Context</b>	There were 158 employees with Banner account access who separated from the university during fiscal year 2020 to April 27, 2023. We judgmentally selected fifteen Banner user accounts for testing.
<b>Effect</b>	Untimely termination of former employees' Banner user access exposes the university's information system to unnecessary or inappropriate access which increases the risk of data system errors and fraud.
<b>Cause</b>	The university was delayed in terminating Banner account access because human resource personnel did not promptly enter termination dates in Banner to initiate the automated account lockout process.
<b>Prior Audit Finding</b>	This finding has been previously reported in the last audit report covering the fiscal years 2019 through 2020.
<b>Recommendation</b>	Southern Connecticut State University should promptly terminate Banner access upon an employee's separation from the university.
<b>Agency Response</b>	"We agree with this finding. The university is currently drafting a procedure to ensure employee Banner accounts are terminated upon separation."

## Finding 8

### Lack of Salary Analysis - Management Salaries

<b>Criteria</b>	The Connecticut State Colleges and Universities (CSCU) Human Resources Policies for Management & Confidential Professional Personnel provides that individual salaries for incoming management personnel will be collaboratively set within the range for the level by the human resources officer and the appropriate department head, based on the incumbent's skills and qualifications. The university's human resources officer must conduct a review of relevant salaries to ensure internal equity. The university president, or designee, and human resources officer must approve the final hiring salary before an offer is made to the candidate.
-----------------	--

<b>Condition</b>	Southern Connecticut State University could not provide any evidence that it performed a salary analysis on three newly hired managers. Although the salaries for all three managers were within the salary ranges for their positions, there was no documentation in their personnel files to indicate how supervisors determined their salaries.
<b>Context</b>	We examined all three managers at or above the Executive 1 level that the university hired during the audited period. Their starting salaries averaged \$186,896.
<b>Effect</b>	Salaries at the higher end of the salary range could be awarded to newly hired individuals who do not possess the experience or capability of an existing manager at that pay rate. In addition, there is no assurance that the university performed an internal equity review to ensure that it is not awarding disproportionate salaries to new hires.
<b>Cause</b>	The university was unable to provide an explanation for the lack of documentation outlining its salary determination for the reviewed managers.
<b>Prior Audit Finding</b>	This finding has been previously reported in the last audit report covering the fiscal years 2019 through 2020.
<b>Recommendation</b>	Southern Connecticut State University should ensure that it performs a full salary analysis for prospective management-level employees before extending an offer. The analysis should consider the applicant's skills and experience and include a review of relevant salaries to ensure internal equity. The university should retain a record of the analysis in the employee's personnel file.
<b>Agency Response</b>	"We agree with this finding. The university will ensure that it documents an appropriate salary analysis for management/confidential hires and includes the documentation in the employee's personnel file."

## Finding 9

# Student Account Management Control Weakness

<b>Background</b>	Southern Connecticut State University uses the Connecticut State Colleges and University (CSCU) Equipment on Loan Form (CSCU-1079) to record and manage loaned equipment. The university completes an Adjustment to State-Owned Assets Form (CO-853) to
-------------------	---

report, as missing, equipment that students did not renew or return at the end of the loan.

<b>Criteria</b>	Southern Connecticut State University's equipment loan form holds borrowers responsible for loss due to theft or damage of loaned equipment. A student who fails to return equipment at the end of the loan term violates the student code of conduct subjecting them to disciplinary action. The university policy requires the placing of a hold on the student's account pending the return or resolution of issues with the loaned equipment.
<b>Condition</b>	One of 14 CO-853 loss reports reviewed included 18 laptops, totaling \$19,489, that were loaned to students and not returned. The university did not place holds on the students' accounts prior to our inquiry, 492 days after the loss was reported. After our inquiries, the university recovered one laptop from one of two students who had since returned to the university.
<b>Context</b>	The university filed 14 CO-853 loss reports during fiscal years 2021 and 2022 to report 42 lost assets valued at \$39,983. The entire universe was selected for testing.
<b>Effect</b>	When the university does not promptly hold borrowers accountable, there are diminished opportunities to recover state property.
<b>Cause</b>	The university failed to enforce its equipment on loan policies.
<b>Prior Audit Finding</b>	This finding has not been previously reported.
<b>Recommendation</b>	Southern Connecticut State University should ensure that a hold is placed on a student's account when equipment loaned to the student is not returned. The hold should remain in place pending the return or resolution of issues with the loaned equipment.
<b>Agency Response</b>	"We agree with this finding. Going forward, SCSU Information Technology will alert the Student Accounts Office when students fail to return equipment allowing holds to be placed on their accounts."

## Finding 10

# Part-Time Faculty/Lecturer Control Weakness – Appointment Contracts

### Background

Southern Connecticut State University sends an agreement letter to prospective part-time lecturers and adjunct professors. This letter contains the details of the appointment including the duration, assigned class, and credit hours. Once the lecturer signs the agreement letter thereby agreeing to the terms of the appointment, the university completes an appointment form. The appropriate supervising officers, including the dean, department head, and chief human resources officer, must sign the form to approve the hire. Together, the agreement letter and the appointment form constitute an employment contract and should both be fully executed prior to the lecturer's starting date.

### Criteria

The Collective Bargaining Agreement between the Connecticut State University American Association of University Professors and the Connecticut State University System requires the part-time lecturer and the appropriate university officer to sign an employment form, incorporating the assignment of part-time lecturer at the earliest reasonable opportunity but no later than the second week of assigned duties.

It is a good business practice to require that all parties fully execute contracts to confirm their agreement to all the terms and conditions.

### Condition

We reviewed ten part-time lecturer appointments during the audited period and noted the following:

- One instance in which the lecturer taught courses that were not documented on the part-time lecturer appointment form or approved by the appropriate university personnel.
- Four instances in which the part-time lecturer did not sign the agreement letter to confirm and agree to the details of their appointment.
- Two instances in which the agreement letter did not include all the courses the part-time lecturer was going to teach.

### Context

The university employed 182 and 148 part-time lecturers during fiscal years 2021 and 2022, respectively. We judgmentally selected ten part-time lecturers for testing.

<b>Effect</b>	Without a fully executed employment contract, there is decreased assurance that the employees agree to the terms and conditions. It also increases the risk that employees will not fulfill their contractual obligations.
<b>Cause</b>	The university did not promptly perform the necessary steps to ensure that employees fully executed their contracts.
<b>Prior Audit Finding</b>	This finding has previously been reported in the last three audit reports covering the fiscal years 2014 through 2020.
<b>Recommendation</b>	Southern Connecticut State University part-time lecturer employment contracts should contain all pertinent information, be approved by the appropriate university personnel, and signed by the employee and university.
<b>Agency Response</b>	"We agree with this finding. During the spring 2024 semester, the University transitioned to an electronic process (OnBase) for part-time lecturer appointment forms (LAFs). This new format will ensure appropriate content and approval process for LAFs."

## Finding 11

# Overpayment of Sick Leave Balance at Separation

<b>Criteria</b>	<p>Section 5-247 of the General Statutes requires state agencies to compensate employees who retire from state service at the rate of one-fourth of the employee's salary for accrued sick leave up to sixty days.</p> <p>The State University Organization of Administrative Faculty (SUOAF) collective bargaining agreement requires that the university deduct unearned sick leave days from the final salary of any members who received a full year of sick leave accrual at a rate of one and a quarter days per month but leaves state service before their contract year ends.</p>
<b>Condition</b>	We reviewed ten employees who received separation payments for accrued sick leave upon retiring from the university during the audited period and noted one \$137 overpayment. The university paid an employee for sick leave they did not earn, because they left prior to the end of their contract year.
<b>Context</b>	Payments for accrued sick leave upon separation totaled \$487,218 and \$1,390,943 during fiscal year 2021 and 2022. We judgmentally

selected ten employees with separation payments, four from fiscal year 2021 and six from fiscal year 2022 totaling \$258,977.

<b>Effect</b>	When the university overpays accrued sick leave, it potentially jeopardizes the state's resources.
<b>Cause</b>	The university misinterpreted provisions relating to the accrual of sick leave time outlined in the bargaining unit agreement by failing to deduct the employee's unearned sick leave balance at the accrual rate of one and a quarter days per month.
<b>Prior Audit Finding</b>	This finding has not been previously reported.
<b>Recommendation</b>	Southern Connecticut State University should improve internal controls over separation payments to ensure they are accurate and in accordance with requirements outlined in the State University Organization of Administrative Faculty Collective Bargaining Agreement.
<b>Agency Response</b>	"We agree with this finding that SCSU's interpretation differs but disagree that SCSU's interpretation of the SUOAF agreement is not correct. Southern will reach out to other CSU's within the system to find out their interpretation of the agreement and how leave balances are calculated at their institutions upon employee separation."
<b>Auditors' Concluding Comments</b>	The SUOAF agreement clearly states that unearned sick leave credit should be deducted from the full year's sick leave days if that employee separated from state service prior to the full year.

## Finding 12

### Late Cancellation of Outstanding Checks

<b>Criteria</b>	Good business practice suggests that escheated or unwarranted checks be canceled immediately to maintain accurate state accounting records and avoid duplicate payments.
<b>Condition</b>	We tested five outstanding checks, totaling \$3,540, and found that the university did not cancel three checks, totaling \$1,750. The university took 101, 201, and 516 days to cancel the checks after it concluded they escheated and were no longer payable.

<b>Context</b>	At the time of our review, the university had 39 checks that had been outstanding for over three years, totaling \$5,013. We randomly selected five checks for review.
<b>Effect</b>	When escheated or duplicate checks are not immediately cancelled, state account records are understated.
<b>Cause</b>	The delay was due to a lack of management oversight.
<b>Prior Audit Finding</b>	This finding has not been previously reported.
<b>Recommendation</b>	Southern Connecticut State University management should strengthen their internal controls to ensure that they promptly cancel outstanding checks.
<b>Agency Response</b>	"We agree with the finding. The criteria for escheating checks differ state by state and internal control processes will be reviewed to ensure checks are cancelled in a timely manner."

## Finding 13

# Undocumented Compensating Controls

<b>Criteria</b>	<p>The Human Resource Management System's segregation of duties procedures for the Core-CT accounting system dictates that inadequate segregation of duties between payroll and human resources roles requires compensating controls to mitigate the risk of error or fraud.</p> <p>Southern Connecticut State University established control procedures to mitigate the risk resulting from individuals in roles that lack adequate segregation of duties. Specifically, the university generates and reviews certain Core-CT reports that identify transactions or activities performed by individuals with conflicting roles in the payroll and human resources functions.</p>
<b>Condition</b>	We requested evidence of the university's compensating control procedures performed for employees with conflicting roles in Core-CT. The university could not provide documentation to support that the appropriate personnel promptly reviewed and approved the payroll review reports.
<b>Context</b>	The university was required to review all 52 pay periods issued during the audited period for employees with inadequate

segregation of duties. We judgmentally selected three pay periods for testing.

<b>Effect</b>	When an employee has access to both payroll and human resources functions, there is an increased risk that they can process fraudulent transactions. Without sufficient compensating controls, it is more difficult to detect and correct these transactions.
<b>Cause</b>	The Payroll Department reviews online reports each pay period but does not maintain sufficient documentation to support that it fully implemented the established compensating controls to mitigate the risk of error or fraud.
<b>Prior Audit Finding</b>	This finding has not been previously reported.
<b>Recommendation</b>	Southern Connecticut State University should ensure that it documents its prompt payroll review of employees with conflicting roles in Core-CT. The university should maintain evidence of its review, including the date it was performed.
<b>Agency Response</b>	"We agree with this finding. Going forward, an email will be sent documenting reports were created and reviewed."

## Finding 14

### Inadequate Controls over Rehired Retiree

<b>Criteria</b>	Board of Trustees Resolution #09-44 requires that the university submits a detailed justification for approval to the Council on Employee Relations when it wants to continue to employ a rehired retiree for longer than two years.
<b>Condition</b>	We reviewed five rehired retirees employed during the audited period and noted two employees were allowed to work beyond the two-year limit. The university could not provide documentation showing that it submitted detailed justifications to the Council on Employee Relations to approve continuing their employment.
<b>Context</b>	The university rehired 14 retirees during the audited period. We judgmentally selected five for testing.
<b>Effect</b>	The university did not comply with the provisions of Board of Trustees Resolution #09-44 and allowed rehired retirees to continue to work beyond the two-year limit without proper approval and justification.

<b>Cause</b>	The university did not submit detailed justifications to the Council on Employee Relations to allow rehired retirees to work beyond the two-year limit.
<b>Prior Audit Finding</b>	This finding has not been previously reported.
<b>Recommendation</b>	Southern Connecticut State University should provide justification to the Council on Employee Relations when it wants to employ rehired retirees beyond the two-year limit and receive and document the council's approval in accordance with Board of Trustees Resolution #09-44.
<b>Agency Response</b>	"We agree with this finding. During fall of 2023, the University submitted all requests and justifications to continue rehired retirees beyond two years in CER. The University will ensure that it continues to comply with this requirement."

# STATUS OF PRIOR AUDIT RECOMMENDATIONS

Our [prior audit report](#) on Southern Connecticut State University contained 11 recommendations. Four have been implemented or otherwise resolved and seven have been repeated or restated with modifications during the current audit.

Prior Recommendation	Current Status
<p>Southern Connecticut State University should improve compliance with purchasing policies by obtaining multiple price quotes and comparing prices prior to entering into a contract with vendors on Department of Administrative Services multi-vendor awarded contracts. The university should enter into a contractual agreement when procuring certain goods and services when required.</p>	<p><b>REPEATED</b> <b>Modified Form</b></p> <p>Recommendation 3</p>
<p>Southern Connecticut State University should improve internal controls over the purchase of professional services by obtaining the Office of the Attorney General’s approval when required.</p>	<p><b>RESOLVED</b></p>
<p>Southern Connecticut State University should comply with the purchasing card policies by ensuring that it conducts biannual audits and that users obtain and retain proper supporting documentation for purchases. Also, the university should improve its internal controls to ensure that all purchasing card documents, including those from former employees, are secured and available for review.</p>	<p><b>REPEATED</b> <b>Modified Form</b></p> <p>Recommendation 1</p>
<p>Southern Connecticut State University should fully execute employment contracts for part-time lecturers and obtain signed agreement letters prior to the lecturer’s starting date. The university should retain a copy of employment contracts in accordance with the state’s record retention policies.</p>	<p><b>REPEATED</b> <b>Modified Form</b></p> <p>Recommendation 10</p>
<p>Southern Connecticut State University should require documentation to support the date when departments and student clubs/organizations receive funds and to ensure that they are promptly deposited as required by Section 4-32 of the General Statutes.</p>	<p><b>RESOLVED</b></p>
<p>Southern Connecticut State University should use the current contract template for facilities usage agreements to avoid conflicting language. The agreement should clearly define deposit charges and due dates.</p>	<p><b>REPEATED</b> <b>Modified Form</b></p> <p>Recommendation 6</p>

<p style="text-align: center;"><b>Prior Recommendation</b></p>	<p style="text-align: center;"><b>Current Status</b></p>
<p>Southern Connecticut State University should ensure that it performs a full salary analysis for prospective management-level employees before extending an offer. The analysis should consider the applicant’s skills and experience and include a review of relevant salaries to ensure internal equity. The university should retain a record of the analysis in the employee’s personnel file.</p>	<p style="text-align: center;"><b>REPEATED</b></p> <p style="text-align: center;">Recommendation 8</p>
<p>Southern Connecticut State University should promptly terminate Banner access upon an employee’s separation from the university.</p>	<p style="text-align: center;"><b>REPEATED</b></p> <p style="text-align: center;">Recommendation 7</p>
<p>Southern Connecticut State University should design and implement control procedures to ensure that all abandoned property in the university’s possession is escheated and promptly delivered to the Office of the State Treasurer or to the applicable state of the property owner’s last known address. The university should comply with the interest penalty for failing to report or deliver abandoned property on time.</p>	<p style="text-align: center;"><b>RESOLVED</b></p>
<p>Southern Connecticut State University should verify that it conducted its annual internal control review by completing the confirmation of completion section of the internal control questionnaire and maintain a copy in accordance with the Office of the State Comptroller’s Accountability Directive Number 1.</p>	<p style="text-align: center;"><b>RESOLVED</b></p>
<p>Southern Connecticut State University should design and implement control procedures to monitor and prevent rehired retirees from working more than 960-hour calendar year limit. The university should pursue retroactive reimbursement of all pension payments to rehired retirees who exceeded the 120-day limit and recover any improper benefit payment.</p>	<p style="text-align: center;"><b>REPEATED</b> <b>Modified Form</b></p> <p style="text-align: center;">Recommendation 14</p>

# OBJECTIVES, SCOPE, AND METHODOLOGY

We have audited certain operations of Southern Connecticut State University in fulfillment of our duties under Section 2-90 of the Connecticut General Statutes. The scope of our audit included, but was not necessarily limited to, the fiscal years ended June 30, 2021 and 2022. The objectives of our audit were to evaluate the:

1. University's internal controls over significant management and financial functions;
2. University's compliance with policies and procedures internal to the university or promulgated by other state agencies, as well as certain legal provisions; and
3. Effectiveness, economy, and efficiency of certain management practices and operations, including certain financial transactions.

In planning and conducting our audit, we focused on areas of operations based on assessments of risk and significance. We considered the significant internal controls, compliance requirements, or management practices that in our professional judgment would be important to report to users. The areas addressed by the audit included payroll and personnel, revenue and cash receipts, trustee accounts, purchasing and expenditures, asset management, and information technology. We also determined the status of the findings and recommendations in our prior audit report.

Our methodology included reviewing written policies and procedures, financial records, meeting minutes, and other pertinent documents. We interviewed various personnel of the university and certain external parties. We also tested selected transactions. This testing was not designed to project to a population unless specifically stated. We obtained an understanding of internal controls that we deemed significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We tested certain of those controls to obtain evidence regarding the effectiveness of their design and operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contracts, grant agreements, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

The accompanying financial information is presented for informational purposes. We obtained this information from various available sources including the university's management and state information systems. It was not subject to our audit procedures. For the areas audited, we:

1. Identified deficiencies in internal controls;
2. Identified apparent noncompliance with laws, regulations, contracts and grant agreements, policies, or procedures; and

3. Did not identify a need for improvement in management practices and procedures that we deemed to be reportable.

The State Auditors' Findings and Recommendations section of this report presents findings arising from our audit of Southern Connecticut State University.

# ABOUT THE AGENCY

## Overview

[Southern Connecticut State University](#) in New Haven is one of the four higher education institutions that collectively make up the Connecticut State Colleges & Universities (CSCU) system. The other three are Central Connecticut State University in New Britain, Eastern Connecticut State University in Willimantic, and Western Connecticut State University in Danbury. The Board of Regents for Higher Education, which serves as the administrative office for CSCU, oversees the university. The State of Connecticut's system of public higher education operates principally under the provisions contained in Sections 10a-87 through 10a-101 of the General Statutes. Dr. Joe Bertolino served as president of the university throughout the audited period.

## Significant Legislative Changes

Notable legislative changes that took effect during the audited period are presented below:

- **Public Act 21-81**, effective July 1, 2021, made various changes to laws addressing sexual misconduct at higher education institutions. It established a 20-member Council on Sexual Misconduct Climate Assessments and required higher education institutions to conduct biennial sexual misconduct climate assessments and report the results to the Higher Education and Employment Advancement Committee of the General Assembly.
- **Public Act 21-132**, effective July 1, 2021, made numerous changes to higher education laws. It required each higher education institution to review and update its policies on awarding college credit for a student's military training. It also required each higher education institution to (1) establish a mental health coalition to assess the institution's mental health services and programs; (2) maintain a memorandum of understanding with at least one community-based mental health care provider for institutions that lack campus resources; and (3) adopt a student mental health policy. Additionally, it prohibited the board of regents from assessing or charging a graduation fee to students enrolled at public higher education institutions and allowed students to earn compensation through an endorsement contract or employment in an activity unrelated to an intercollegiate athletic program.
- **Public Act 21-184**, effective July 1, 2021, required the reporting of accidents that resulted in serious physical injuries or death at institution of higher education.

## Financial Information

### Operating Receipts

During the audited period, the university's operations were primarily supported by appropriations from the state's General Fund and tuition and fees credited to the university's operating fund. The university also received COVID-19 federal emergency grant funds and capital projects funds from state bond issues.

The university did not directly receive General Fund appropriations. Rather, General Fund appropriations for the entire CSCU system were distributed to the CSCU System Office, which periodically calculated and transferred funds to the university's operating fund, primarily for personal services and related fringe benefits.

Operating fund receipts primarily consisted of student tuition payments. Under the provisions of Section 10a-99(a) of the General Statutes, tuition charges are set by the Board of Regents for Higher Education. The following presents annual tuition charges for full-time students during the audited fiscal years:

Student Status	2020-2021			2021-2022		
	In-State	Out-of-State	Regional	In-State	Out-of-State	Regional
Undergraduate	\$ 6,162	\$ 18,436	\$ 9,244	\$ 6,162	\$ 18,436	\$ 9,244
Graduate	\$ 7,674	\$ 19,768	\$ 11,512	\$ 7,674	\$ 19,768	\$ 11,512

Tuition for all students remained the same for fiscal year 2021 and 2022.

Besides tuition, the university charged students other fees during the audited years, including a general fee, a state university fee, and a student activity fee. Undergraduates were also charged a media fee. The following presents these fees, on an annual basis, during the audited fiscal years:

Fee	2020-2021			2021-2022		
	In-State	Out-of-State	Regional	In-State	Out-of-State	Regional
General	\$ 4,484	\$ 4,484	\$ 4,484	\$ 4,484	\$ 4,484	\$ 4,484
State University	\$ 946	\$ 2,076	\$ 946	\$ 946	\$ 2,076	\$ 946
Student Activity - undergraduate	\$ 140	\$ 140	\$ 140	\$ 140	\$ 140	\$ 140
Student Activity-graduate	\$ 132	\$ 132	\$ 132	\$ 132	\$ 132	\$ 132
Media Fee-undergraduate	\$ 30	\$ 30	\$ 30	\$ 30	\$ 30	\$ 30

In addition, the required resident student Housing and Food Service fees represent a significant portion of the operating revenues category titled Auxiliary Revenues. The following presents the average annual Housing (double occupancy) and Food Service fees during the audited period:

Fee Description	Fiscal Year Ended June 30,	
	2021	2022
Housing	\$ 7,385	\$ 7,385
Food Service	\$ 6,229	\$ 6,229

### Enrollment Statistics

The university provided the following enrollment statistics for full and part-time students during the audited period:

Enrollment	Fall 2020	Spring 2021	Fall 2021	Spring 2022
Full-time undergraduate	6,268	5,525	5,644	5,114
Full-time graduate	803	730	809	776
<b>Total full-time</b>	<b>7,071</b>	<b>6,255</b>	<b>6,453</b>	<b>5,890</b>
Part-time undergraduate	1,172	1,229	1,156	1,310
Part-time graduate	1,088	1,154	1,179	1,137
<b>Total part-time</b>	<b>2,260</b>	<b>2,383</b>	<b>2,335</b>	<b>2,447</b>
<b>Total Enrollment</b>	<b>9,331</b>	<b>8,638</b>	<b>8,788</b>	<b>8,337</b>

The average enrollment was 8,985 and 8,563 during the 2021 and 2022 fiscal years, respectively, compared to 9,515 during the 2020 fiscal year. Average student enrollment declined 530 (5.5%) from fiscal year 2020 to fiscal year 2021 and 422 (4.7%) from fiscal year 2021 to fiscal year 2022.

## Operating Revenues

Operating revenues are derived from the sale or exchange of goods and services related to the university's educational and public service activities. Major sources of operating revenue include tuition and fees, federal grants, state grants, and auxiliary services.

Operating revenues, as presented in the university's audited financial statements for the audited period and previous fiscal year, follow:

Operating Revenue Description	Fiscal Year Ended June 30,		
	2020	2021	2022
Tuition and Fees (net of scholarship allowances)	\$ 97,648,591	\$ 96,241,075	\$ 91,171,331
Federal Grants and Contracts	2,936,840	3,898,422	3,731,461
State and Local Grants and Contracts	4,365,422	4,334,086	4,631,001
Non-governmental Grants and Contracts	4,261,114	4,442,967	5,277,300
Indirect Cost Recoveries	220,626	240,629	278,086
Auxiliary Revenues	21,986,518	17,117,877	22,713,157
Other Operating Revenues	2,178,102	661,311	4,197,093
<b>Total Operating Revenues</b>	<b>\$ 133,597,213</b>	<b>\$ 126,936,367</b>	<b>\$ 131,999,429</b>

Total operating revenues decreased by \$6,660,846 (5%) during fiscal year 2021 due to a reduction in auxiliary services (such as room and board) of \$4,868,641, and a \$1,516,791 reduction of other operating revenues. These reductions are a direct result of campus closure in response to the COVID-19 pandemic. There was also a decrease in tuition and fees of \$1,407,516 resulting from declining enrollment. These reductions were offset slightly by \$961,582 of additional federal grants and contracts revenues.

Total operating revenues grew by \$5,063,062 (4%) during fiscal year 2022 due to an increase in auxiliary revenues of \$5,595,280 as students returned to campus following the COVID-19 pandemic. There were also increases in other operating revenues (such as commissions, indirect cost recovery and other fees) of \$3,535,782, and non-governmental grants and contracts of \$834,333. These increases were offset by a reduction in tuition and fees of \$5,069,744 resulting from declining enrollment.

## Operating Expenses

Operating expenses generally result from payments made for goods and services to achieve the university's instruction and public service mission. Operating expenses include employee compensation and benefits, professional services, supplies, and depreciation.

Operating expenses, as presented in the university's audited financial statements for the audited period and the previous fiscal year, follow:

<b>Operating Expenses Description</b>	<b>Fiscal Year Ended June 30,</b>		
	<b>2020</b>	<b>2021</b>	<b>2022</b>
Personal Services and Fringe Benefits	\$ 180,116,816	\$ 186,461,863	\$ 197,482,802
Professional Services and Fees	6,393,303	6,386,129	7,305,513
Educational Services and Support	41,007,556	42,235,108	49,746,319
Travel Expenses	1,487,342	190,561	1,411,941
Operation of Facilities	10,598,050	9,433,578	12,275,572
Other Operating Supplies and Expenses	5,772,843	6,396,854	7,778,925
Depreciation Expense	20,598,377	20,131,664	20,308,571
Amortization Expense	31,037	36,810	277,956
<b>Total Operating Expenses</b>	<b>\$ 266,005,324</b>	<b>\$ 271,272,567</b>	<b>\$ 296,587,599</b>

Total operating expenses grew by \$5,267,243 (2%) during fiscal year 2021 due to increases in both educational services and support of \$1,227,552 and salaries and benefits of \$6,345,047 related to pensions and other post-employment benefits. The increase was offset by a reduction of \$1,296,781 in travel expenses and \$1,164,472 in operation of facilities expense due to the COVID-19 pandemic and the transition to a remote working environment.

Total operating expenses grew by \$25,315,032 (9.3%) during fiscal year 2022 due to an increase in salaries and benefits of \$11,020,936 resulting from collective bargaining pay increases and retroactive payments. There were also increases in educational services and support, totaling \$7,511,211, due to technology updates and an additional \$2,841,994 in operation of facilities expenses.

### **Nonoperating Revenues and Expenses**

Nonoperating revenues and expenses are activities other than the sale or exchange of goods or services that relate to the university's primary functions of instruction, academic support, and student services. Nonoperating revenues and expenses include items such as the state's General Fund appropriation, private gifts and donations, investment income, state-financed plant facilities revenues, and interest expense.

Nonoperating revenues and expenses during the audited period and the previous fiscal year were presented in the university's audited financial statements as follows:

<b>Nonoperating Revenue/ Expense Description</b>	<b>Fiscal Year Ended June 30,</b>		
	<b>2020</b>	<b>2021</b>	<b>2022</b>
State Appropriations	\$ 82,758,567	\$ 88,769,807	\$ 108,200,523
Pell Grant Revenue	15,941,138	15,035,858	13,592,763
Federal Emergency Grant Revenue	6,197,754	27,897,043	28,435,320
Gifts	148,696	256,419	592,322
Investment Income	1,448,810	85,283	266,450
Interest Expense	-	-	(4,519)
Capital Projects Financed by System Office	1,653,863	1,572,518	1,513,815
Other Nonoperating Revenues (Expenses)	418,346	(69,069)	49,755
<b>Total Nonoperating Revenues (Expenses)</b>	<b>\$ 108,567,174</b>	<b>\$ 133,547,859</b>	<b>\$ 152,646,429</b>

Net nonoperating revenues increased by \$24,980,685 (23%) during fiscal year 2021 due to federal COVID-19 emergency grants of \$21,699,289 and an additional \$6,011,240 in state appropriations to fund salaries and benefits, offset by a reduction in investment income and Pell grant revenues totaling \$2,268,807.

Net nonoperating revenues increased by \$19,098,570 (14.3%) during fiscal year 2022 due to additional state appropriations of \$19,430,716 to fund salaries and benefits, offset by a reduction in Pell grant of \$1,443,095.

In addition to the operating and nonoperating revenues and expenses presented above, the university's financial statements presented revenues classified as state appropriations restricted for capital purposes totaling \$35,738,646 and \$46,399,842, for fiscal years 2021 and 2022, respectively.

### **Southern Connecticut State University Foundation, Inc.**

The Southern Connecticut State University Foundation, Inc. is a private, nonprofit corporation established to raise funds to support the activities of the university.

Sections 4-37e through 4-37k of the General Statutes define and set requirements for such organizations that support state agencies. The requirements address the annual filing of an updated list of board members with the state agency for which the foundation was established, financial record keeping and reporting in accordance with generally accepted accounting principles, financial statement and audit report criteria, written agreements concerning the use of facilities and resources, compensation of state officers or employees, and the state agency's responsibilities with respect to affiliated foundations.

An independent certified public accounting firm audited the books and accounts of the foundation for the fiscal years ended June 30, 2021 and 2022 in accordance with Section 4-37f(8) of the General Statutes. The auditors expressed unqualified opinions on the foundation's financial statements in both fiscal years. In addition, the foundation's auditors reported, in an examination, that the foundation complied, in all material respects, with Sections 4-37e through 4-37k of the General Statutes.

The foundation's financial statements reported support and revenues totaling \$13,148,665 and \$1,056,059 during fiscal years 2021 and 2022, respectively. Net assets totaled \$48,143,993 and \$44,764,595 as of June 30, 2021 and 2022, respectively.