

(see 90-156)
BR#90-31



**Connecticut
State
University**

Central • Eastern • Southern • Western

*Rescinded
91-143*

P.O. Box 2008, New Britain, Connecticut 06050
(203) 827-7700

RESOLUTION

adopting

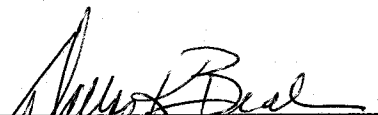
POLICIES GOVERNING CONNECTICUT STATE UNIVERSITY RELATIONSHIPS
WITH PRIVATE FOUNDATIONS

March 30, 1990

RESOLVED, That the Board of Trustees of the Connecticut State University rescinds Board Resolution #89-180, "Policies Governing CSU Relationships with Private Foundations;" and be it further

RESOLVED, That the Board of Trustees of the Connecticut State University adopts the attached addendum as said policies, effective March 30, 1990.

A Certified True Copy,


Dallas K. Beal
President



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Connecticut State University
Board of Trustees'
Policies Governing CSU Relationships with Private Foundations

Preamble

The Board of Trustees for Connecticut State University (CSU) recognizes the following foundations as private corporations established to support, promote, and improve CSU or its individual campuses. The margin of excellence these foundations provide to enhance the CSU mission as a comprehensive public university and the related missions of its individual campuses is viewed by the Board as critical to the University's effective and efficient functioning.

The Henry Barnard Foundation, Inc.
CCSU Foundation, Inc.
Eastern Connecticut State University Foundation, Inc.
Southern Connecticut State University Foundation, Inc.
University Foundation of Western Connecticut, Inc.

For the purposes of the following Board policies these foundations will be referred to individually and collectively as "the foundation."

In accordance with Public Act 89-267 of the Connecticut General Statutes, the Board of Trustees accepts full responsibility, and that of its chief executive officer and campus presidents, in assuring compliance with all state and federal laws governing the relationship between the Connecticut State University or its individual campuses and their respective foundations.

Nothing in the following policies is to be construed as an indication that such foundations are anything but private corporations. Accordingly, the Board of Trustees does not assume direct control of their operations.

Nonetheless, as the only legal entity empowered to accept gifts and donations from private sources for CSU and its campuses (Section 10a-150 of the Connecticut General Statutes and Board Resolution 87-192), the Board affirms its responsibility to assure that the principles outlined in law are followed.

I. Responsibility of the CSU Presidents

The President of Connecticut State University, and the Presidents of Central, Eastern, Southern and Western Connecticut State Universities, (referred to individually and collectively for the purposes of the following policies as "the president") shall ensure:

- A. o That the foundation is governed by a board to oversee foundation operations;

- B. o That the membership of the foundation's board includes ex officio non-voting institutional representatives. These representatives shall include:
- (1) The president of the institution (or his/her designee);
 - (2) A student representative elected by students in accordance with the process outlined below; and
 - (3) A faculty representative elected by faculty in accordance with the process outlined below.

Student and Faculty Elections

- C. o Election of Students to the Foundation Board.
- (1) Each foundation shall have an elected student representative who shall serve as a non-voting member of the governing board of the foundation.
 - (2) The student representative to the Barnard Foundation shall be elected for a one-year term on a rotating basis from each of CSU's campuses beginning with the following schedule:
 - (A) From Central, Academic 1989-90;
 - (B) From Eastern, Academic 1990-91;
 - (C) From Southern, Academic 1991-92;
 - (D) From Western, Academic 1992-93.
 - (3) The student representative to the campus foundations shall be elected for a one-year term by the respective student bodies.
 - (4) The terms of student representatives on the foundation boards shall terminate with the election of the subsequent student representative.
 - (5) Such student elections shall take place during student campus elections the spring before the academic year in which the representative will serve, but in any case, no later than May 31 of that year.
 - (6) The filling of unexpired student vacancies shall take place by special elections held by the respective constituencies outlined above.

- D. o Election of Faculty Members to the Foundation Board.
- (1) Each foundation shall have an elected faculty member who shall serve as a non-voting member of the governing board of the foundation.
 - (2) The faculty representative to the Barnard Foundation shall be elected for a one-year term on a rotating basis by each of CSU's campus faculty senates from the respective faculties beginning with the following schedule and rotating annually thereafter:
 - (a) From Central, academic 1989-90;
 - (b) From Eastern, academic 1990-91;
 - (c) From Southern, academic 1991-92;
 - (d) From Western, academic 1992-93.
 - (3) The faculty representative to the campus foundation shall be elected from the corresponding campus faculty by the corresponding faculty senate for a one-year term.
 - (4) The terms of faculty representatives to the foundation boards shall terminate with the election of the subsequent faculty representative.
 - (5) Such faculty elections shall take place during faculty senate elections during the spring before the academic year in which the representative will serve, but in any case, no later than May 31 of that year.
 - (6) The filling of unexpired faculty vacancies shall take place by special election held by the corresponding constituency.

The President further shall ensure:

- E. o That the foundation board annually file with the president and the Board of Trustees an updated list of members and officers of such board, and foundation salaries, consulting fees, loans, and perquisites paid or given by the foundation to CSU employees;
- F. o That the salaries, benefits and expenses of officers and employees of the foundation be paid solely by the foundation, and that the foundation board annually approve such salaries assuring compliance with all federal IRS requirements;

- G. o That any potential conflict of interest by CSU employees is avoided in foundation operations and transaction, and in the relationship between the foundation and the institution;
- H. o That the foundation use generally accepted accounting principles in its financial record-keeping and reporting;
- I. o That any person soliciting funds or any other thing of value for donation to the foundation, at the time of such solicitation and in any receipt for or other written confirmation of such donation, clearly and conspicuously disclose that the funds or other things of value donated are to be provided to the foundation as distinct from the university or specific foundation accounts, and that the identity of the donor may be kept confidential by written request of the donor;
- J. o That no officer or employee of the university shall receive a salary, fee or loan, or any compensation or other thing of value from the foundation, or withdraw funds from the foundation for any purpose, without written approval from the president. Such approval shall include the terms of such compensation or withdrawal;
- K. o That such written approval may be issued in advance to the designated employee for reimbursements of recurring expenses of no more than \$500 per quarter, and that the president shall receive quarterly reports of the amounts disbursed and the purposes for which they are used; recurring expenses are defined as those pertaining to routine university relations activities (e.g., legislative breakfasts, luncheons, etc.);
- L. o That under subsections I and J of this section (I.) if the President of Connecticut State University is the officer or employee in question, the written approval shall be that of the Chairman of the Board of Trustees;
- M. o That under subsections I and J of this section (I.) if the President of a CSU campus is the officer or employee in question, the written approval shall be that of the CSU President.
- N. o That the transfer of gifts and donations from the foundation to the university is consistent with Section 10A-150 of the Connecticut General Statutes and CSU Board Resolution 87-192, and that quarterly foundation records of such transfers include dollar amounts or approximate value, purposes, and recipients of such transfers;
- O. o That the foundation board adopt an approval process for authorization of expenditures of unrestricted funds, or changes in such planned expenditures;

- P. o That the foundation board adopt a written investment policy and that the policy address the distribution of investment income and related costs.

II. Responsibility of the CSU Board of Trustees

The Board of Trustees for the Connecticut State University shall ensure that the President of Connecticut State University, and the respective presidents of Central, Eastern, Southern, and Western Connecticut State Universities conform to Section I. of these policies. The Board also shall:

- A. Approve the letters of agreement between Connecticut State University and its constituent campuses with the corresponding foundations;
- B. Review annually the foundation salaries, consulting fees, loans, and perquisites paid or given by the foundation to CSU employees as outlined in Section I.K. of these policies.

III. Full Private Audits

The President further shall ensure:

- A. o That if the foundation has in any of its fiscal years, receipts and earnings from investments totaling \$100,000 or more, it shall have completed on its behalf for such fiscal year a full audit of the books and accounts by an independent certified public accountant;
- B. o That if the foundation has receipts and earnings of less than \$100,000 in each fiscal year during three of its consecutive fiscal years, it shall have completed on its behalf a full audit of the books and accounts for every third year by an independent certified public accountant; and that for the two years that the full audit is not required, the foundation shall submit to the President a financial statement as provided by sub-section 7 of section 2 of Public Act 89-267;
- C. o That the foundation conduct its first full audit for the fiscal year following the effective date of Public Act 89-267 (October 1, 1989) except that the Barnard Foundation shall conduct its first full audit for the previous fiscal year;
- D. o That each audit be conducted in accordance with generally accepted auditing standards and include financial statements, a management letter, and an audit opinion which addresses the conformance of the operating procedures of the foundation to the provisions herein, and recommends any corrective actions needed to ensure such conformance;

- E. o That the audit report disclose the receipt or use by the foundation of any public funds in violation of the provisions herein;
- F. o That the foundation provide a copy of each audit report to the president, who shall in turn submit copies to the Board of Trustees, the Board of Governors for Higher Education, and the Auditors of Public Accounts;
- G. o That each financial statement include the total receipts and earnings from investments and the amount and purpose of each receipt of funds by the university from the foundation;
- H. o That the President and chief fiscal officer of Connecticut State University or president and chief fiscal officer of the respective CSU campuses shall review each audit report;
- I. o That the president sign a letter indicating that he/she has reviewed the audit report and transmit a copy of the letter and report to the Auditors of Public Accounts, who shall have access to the relevant working papers compiled by the certified public accountant in the preparation of the private audit and may conduct an audit of the books and accounts of the foundation as provided in sub-section (b) of section 3 of Public Act 89-267 if the audit report indicates:
 - (a) Funds for deposit and retention in state accounts have been deposited and retained in foundation accounts; or
 - (b) State funds, personnel, services or facilities have been used in violation of the policies outlined herein.

IV. Letter of Agreement

The President shall further ensure:

- A. o That there be a written agreement between the university and the foundation;
- B. o That the agreement, which shall follow a format as provided for by the Connecticut State University President, shall:
 - (a) Address any use by the foundation of the university's facilities and resources including, but not limited to, office space, storage space, office furniture and equipment, utilities, photocopying services, computer systems and the maintenance by the university of the books and records of the foundation;

(b) Provide that the university shall have no liability for the obligations, acts or omissions of the foundation;

(c) Require the foundation to reimburse the university for expenses the university incurs as a result of foundation operations if the university would not have otherwise incurred such expenses, and that the foundation may provide an additional general reimbursement for overhead expenses to be negotiated between the foundation and the university; and

(d) Provide that if the foundation ceases to exist or ceases to be a foundation:

(1) The foundation shall be prohibited from using the name of the university;

(2) The records of the foundation, or copies of such records, shall be made available to, and may be retained by the university; and

(3) There are procedures for the disposition of the financial and other assets of the foundation.

V. State Accounts

The Board of Trustees prohibits the channeling of state funds into foundation accounts. Accordingly, the president must ensure that the following funds be deposited and retained in state accounts:

- A. o All funds or other things of value received through proposals or other means with an obligation for service primarily to the donor by the university including, but not limited to, research, training, education or public service activities, (except those funds or things of value given to the foundation by a charitable trust which, on or before October 1, 1989, does not permit the giving of its funds or other things of value to a state agency);
- B. o Gifts and donations, including cash, endowments, stock, real estate, personal property or other property of value, made to the university; and
- C. o Funds received directly from the foundation by the university.

3/27/90



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State
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*File
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Rosa*

E. Higgins

P.O. Box 2008, New Britain, Connecticut 06050
(203) 827-7700

Office of the President

MEMORANDUM

To: Presidents Michael J. Adanti, David G. Carter,
Stephen Feldman, John W. Shumaker

Foundation Directors William R. Bowes, Richard L. Judd,
Frederick J. Leuthauser, Sally Tresselt, Lucille R. Wooding

From: Peter M. Rosa *Pote*
Director, CSU Governmental Relations

Date: February 11, 1991

Subj: Attorney General Clarification

Attached is a copy of the Attorney General's response to the CSU inquiry regarding our implementations of the Foundation Statute P.A. 89-267. The inquiry pertained specifically to executive authority approval of the withdrawal of funds from Foundation accounts for routine reimbursements and the use of Foundation credit cards for the same purposes.

It appears that in both instances, such withdrawal or credit card usage requires approval of the University's executive authority.

In the case of all other CSU employees, the executive authority is the campus president. In the case when the CSU employee in question is the campus president or an employee of the CSU executive offices, the executive authority is the CSU system president. In the case when the CSU system president is the employee in question, approval must come from the CSU Board of Trustees' chairperson.

The Attorney General's response does not seem to preclude advanced approval by the executive authority in accordance with CSU Foundation policies. Therefore, such approval with quarterly reports may continue.

It is our hope that this clarifies any confusion that may have existed.

attachment

cc: Dallas K. Beal
Executive Council



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TO: Dallas K. Beal
President
Connecticut State University
P.O. Box 2008
New Britain, CT 06050

FEB 8 1991

FROM: Ralph E. Urban *R. Urban*
Assistant Attorney General
110 Sherman Street
Hartford, CT 06105

APPROVED: Susan T. Pearlman *STP*
Assistant Attorney General

RE: Public Act 89-267

DATE: November 14, 1990

This office is in receipt of your letter of October 3, 1990 seeking clarification on the implementation of Public Act 89-267.

While this memorandum does not constitute an official opinion of the Office of the Attorney General, I hope the following information will be of assistance to you.

As you have noted in your letter, Section 5 of P.A. 89-267 provides in part that

[n]o officer or employee of a state agency shall receive a salary, fee or loan, or any compensation or other thing of value from the foundation or withdraw funds from a foundation account for any purpose, without the written approval of the executive authority....

As you know, Section 1(3) of the Act provides the statutory definition of "executive authority."

You have asked whether Section 5 prohibits the withdrawal of funds for routine reimbursements of expenditures that a state employee undertakes on behalf of foundation business without approval of the executive authority, and whether such a prohibition would include the use of a foundation credit card.

With respect to the first question, the plain wording of the statute informs us that no state officer or employee shall withdraw funds "from a foundation account for any purpose, without the written approval of the executive authority." (Emphasis added). In interpreting the meaning of the statute, we are bound by the plain meaning of the words of the statute,

absent some apparent ambiguity. Hayes v. Smith, 194 Conn. 52 (1984). Thus, it appears that no withdrawal of funds from foundation accounts may be made without written approval of the executive authority, even if the withdrawal is for the routine reimbursement of minor expenditures by a state employee on behalf of the foundation.

With respect to the second question, the use of a foundation credit card, while the use of a credit card for a particular transaction is a creditor's agreement to defer payment of the debt or obligation incurred, and thus is not a "withdrawal" in the strict sense of the word, it is also clear from the plain wording of the Public Act that the Legislature intended to prevent a state employee from receiving anything of value from a foundation without approval of the executive authority and thus the use of a foundation credit card without the approval of the executive authority is also prohibited.

I hope this information adequately answers your questions. If you have further questions or concerns, please feel free to contact us.

REU/tlm



**Connecticut
State
University**

Central • Eastern • Southern • Western

*Ms. Higgins
File Behind Reso*

P.O. Box 2008, New Britain, Connecticut 06050
(203) 827-7700

Office of the President

M E M O R A N D U M

TO: Presidents Adanti, Carter, Feldman, Shumaker
FROM: Dallas K. Beal *dfb*
DATE: January 28, 1991
SUBJ: Foundation Audit Reports

As you know, the independent auditors working for each of our private foundations have met with the state auditors to discuss the appropriate standards to be employed in the audits of our foundation accounts. What precipitated this meeting was the state auditors' criticism of Western's audit, the first such audit made public because of its calendar fiscal year. Specifically discussed, was what standard would be acceptable to the state auditors relative to the independent assessment of our Universities' compliance with Sections 1 through 5 of Public Act 89-267.

At their meeting, the independent auditors were able to ascertain that while the "negative assurance" standard employed by Western was not acceptable to the state auditors, certain methodology short of a full and costly compliance audit indeed would be acceptable. Among the alternatives discussed was the "agreed-upon-procedures" standard which is being employed by UConn, and the "positive-assurance-on-tested-items; negative-assurance-on-other-items" methodology recommended by Peat-Marwick. It appears that these two alternate methods would be acceptable to the state auditors.

While it is our position that the negative assurance employed in Western's independent audit is consistent with the intent of the law, the suggestion made by Peat-Marwick to use the latter methodology and to hold off from completing our remaining foundation audits until UConn's audit emerges, is well taken. Indeed, I would recommend that completion of our remaining audits wait until the UConn audit is public or until May 1, whichever date is earlier. (The May 1 date would be within one year of the effective date of the legislation which does not address a time frame for such an audit).

There is still much uncertainty about the audit of private foundations. Given the unprecedented fiscal problems we are facing in this state, concern about the subtleties surrounding the foundation legislation pales in comparison. Until greater clarity is forthcoming, therefore, I would suggest the following:



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1. Request that your independent auditors complete your foundation's audit no earlier than UConn's audit or by May 1, whichever comes first.
2. Ask that the remaining audits (Central's, Eastern's, and Southern's) be conducted under the standard of "positive assurance on tested items; negative assurance for other items." I am told that this standard would not be significantly more expensive than the negative assurance standard, and that it would be substantially less costly than the positive assurance standard. WestConn should employ this compromise methodology for its next audit.
3. Assure a coordinated reporting of our remaining foundation audits. This would be most helpful in projecting a united front to the state auditors. John Moriarity (522-3200 or 297-5555) — Partner with Peat-Marwick, and auditor of Eastern's and Western's foundations as well as the Barnard Foundation — would be willing to coordinate these efforts at uniformity. Those of you who are not using Peat Marwick can encourage your auditors to communicate with him for such consistency.

These procedural questions continue to test our patience. We all have heard commentary regarding higher education foundations. It recently has been reported to me that the state auditors see the foundations associated with UConn, Southern and Central, in that order, as most problematic. By working together, I am confident that we can mitigate against the singling out of any of our foundations for criticism as was the case with WestConn's experience. I am hopeful that our coordinated efforts can avoid further criticism and, more importantly, more draconian legislation. Thank you for your attention to this matter.



Western Connecticut State University

A Campus of the Connecticut State University

Danbury, Connecticut 06870 • 203 / 797-4201

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Office of the President

October 17, 1990

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Ex. Bot*

Mr. Leo V. Donohue
and
Mr. Henry J. Becker, Jr.
Auditors of Public Accounts
State Capitol
210 Capitol Avenue
Hartford, CT 06106

Dear Mr. Donohue and Mr. Becker:

I am responding to your letter of October 1, 1990 concerning the University Foundation of Western Connecticut, Inc. I forwarded a copy of your letter to the partner in charge of the Foundation audit at KPMG Peat Marwick, which is one of the world's largest certified public accounting firms.

In their letter to me (copy attached) they summarize the types of things that were done before they issued an unqualified opinion certifying the Foundation's financial statements based on an audit performed in accordance with generally accepted auditing standards.

They also discuss their compliance report that you referred to in your letter. Their firm often issues compliance reports required by regulatory agencies or government statutes. As they state in their letter, the American Institute of Certified Public Accountants (AICPA) has issued a Statement on Auditing Standards addressing this form of compliance report. The language used by KPMG Peat Marwick in that report is often used by that firm and is consistent with the guidelines for such reports issued by the AICPA.

This information indicates that the University Foundation was following the legislative will expressed through PA 89-267.

If you wish to discuss the language of the compliance report with these auditors, they will be happy to speak with you.

Sincerely

Stephen Feldman
President

Encl.

c: Sen. Kevin Sullivan
Sen. Adela Eads
Sen. John Atkin
Sen. Thomas Scott
Rep. Naomi Cohen

Rep. Robert Ward
Rep. William Kiner
Rep. Mae Schmidle
Dr. Norma Foreman Glasgow
Dr. Dallas Beal



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KPMG Peat Marwick

Certified Public Accountants

Lee Farm Corporate Park
83 Wooster Heights
Danbury, CT 06810

Telephone 203 743 6391

Telecopier 203 798 6870

October 15, 1990

Dr. Stephen Feldman, President
Western Connecticut State University
181 White Street
Danbury, Connecticut 06810

Dear Dr. Feldman:

You have forwarded to us a letter dated October 1, 1990 from the Auditors of Public Accounts for the State of Connecticut, Leo V. Donohue and Henry J. Becker, Jr. We are writing this letter to provide you the information you requested from us in order to respond to their letter.

As you may be aware, KPMG Peat Marwick is one of the largest professional services firms in the world, providing audit and accounting, tax and management consulting services to a variety of clients including Fortune 500 companies, middle market companies as well as many not-for profit organizations.

In connection with our audit of the Foundation's financial statements as of and for the year ended December 31, 1989, we issued an unqualified independent auditors report which reads, in part, as follows:

"We have audited the accompanying balance sheet of University Foundation of Western Connecticut, Inc. (the Foundation) as of December 31, 1989, and the related statements of revenue, expenses and changes in fund balances, and cash flows for the year then ended. These financial statements are the responsibility of the Foundation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of University Foundation of Western Connecticut, Inc. at December 31, 1989, and the results of its operations and its cash flows for the year then ended in conformity with generally accepted accounting principles."

Dr. Stephen Feldman, President
October 15, 1990
Page 2

Under generally accepted auditing standards this standard form of auditor's report is described in Statement on Auditing Standards (SAS) No. 58 issued by the American Institute of Certified Public Accountants (AICPA). The report identifies the financial statements audited in the opening paragraph, describes the nature of an audit in the scope paragraph and expresses the auditor's opinion in the third paragraph.

* Also, in connection with our audit of the Foundation's financial statements, we issued a "compliance report." Again, under generally accepted auditing standards, this type of report is described in SAS No. 62, issued by the AICPA, as follows:

"Entities may be required by contractual agreements, such as certain bond indentures and loan agreements, or by regulatory agencies to furnish compliance reports by independent auditors. For example, loan agreements often impose on borrowers a variety of obligations involving matters such as payments into sinking funds, payments of interest, maintenance of current ratios, and restrictions of dividend payments. They usually also require the borrower to furnish annual financial statements that have been audited by an independent auditor. In some instances, the lenders or their trustees may request assurance from the independent auditor that the borrower has complied with certain covenants of the agreement relating to accounting matters. The independent auditor may satisfy this request by giving negative assurance relative to the applicable covenants based on the audit of the financial statements. This assurance may be given in a separate report or in one or more paragraphs of the auditor's report accompanying the financial statements.

Such assurance, however, should not be given unless the auditor has audited the financial statements to which the contractual agreements or regulatory requirements relate and should not extend to covenants that relate to matters that have not been subjected to the audit procedures applied in the audit of the financial statements. In addition, such assurance should not be given if the auditor has expressed an adverse opinion or disclaimed an opinion on the financial statements to which these covenants relate."

In their letter to you, Mr. Donohue and Mr. Becker referred to a paragraph in our compliance report which states that:

"In connection with our audit, nothing came to our attention that caused us to believe that the Foundation failed to comply with the provisions of Sections one through five of Connecticut Public Act No. 89-267, insofar as they relate to accounting matters. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance."

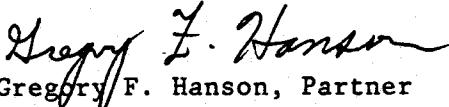
KPMG Peat Marwick

Dr. Stephen Feldman, President
October 15, 1990
Page 3

This language is consistent with the guidelines in SAS No. 62 issued by the AICPA.

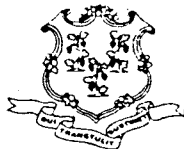
Should you require further information concerning the above, please contact me.

Very truly yours,
KPMG Peat Marwick


Gregory F. Hanson, Partner

GFH:gss

STATE OF CONNECTICUT



File Foundation Issues to LJA
cc: Dr. Higgins ✓
ms Higgins ✓
Dr. [unclear]
[unclear]

OCT 2 1990

AUDITORS OF PUBLIC ACCOUNTS

LEO V. DONOHUE

STATE CAPITOL
210 CAPITOL AVENUE
HARTFORD, CONNECTICUT 06106

HENRY J. BECKER, JR.

October 1, 1990

President Stephen Feldman
Western Connecticut State University
Danbury, Connecticut 06810

Dear President Feldman:

This is in reply to your letter of September 12, 1990 with which you transmitted the audit of the University Foundation of Western Connecticut, Inc. for the year ended December 31, 1989. In your letter you state that you and the Vice President for Administrative Affairs have reviewed the audit report in accordance with Public Act 89-267.

The central issue considered by legislators that resulted in the enactment of PA 89-267 was the auditing of foundation records. The Act represents a compromise from the original bill sponsored by Senate President Pro Tempore John B. Larson, Senate Majority Leader Cornelius P. O'Leary, Deputy Speaker of the House Janet Polinsky and House Education Committee Chair Naomi K. Cohen ~~which would have extended to the State Auditors authority to audit foundations.~~ The essence of the compromise represented by PA 89-267 was in lieu of audits being conducted by the State Auditors:

1. Strict limitations would be imposed on the operations of foundations.
2. Independent Certified Public Accountants would conduct the audits.

An important aspect of this compromise was that such audits include "financial statements, a management letter and an opinion which address the conformance of operating procedures of the foundation (with the Act)."

The audit opinion submitted as part of the audit of University Foundation of Western Connecticut, Inc. "addresses" the Foundation's conformance with the

Act as follows:

"In connection with our audit, nothing came to our attention that caused us to believe that the Foundation failed to comply with the provisions of Sections one through five of Connecticut Public Act No. 89-267, insofar as they relate to accounting matters. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance."
(Emphasis added.)

Whether ~~this opinion~~ or is not in accordance with generally accepted auditing standards as required by the Act is irrelevant. In our opinion, it is not in accordance with the Act itself. In fact, it undercuts the very reason for the Act. The statement of purpose carried on Substitute for House Bill 7206, which was ultimately enacted as PA 89-267, reads, "to ensure the proper use of State funds and funds donated to private foundations, associations and corporations established for the benefit of state agencies and institutions."

The primary mechanism to ensure that the ~~stated purpose~~ of the Act is achieved is the independent Certified Public Accountant's audit which in the audit of the University Foundation of Western Connecticut, Inc. states, "However, our audit was not directed primarily toward obtaining knowledge of (compliance with the Act)."



Certainly the members of the Education and Government Administration and Elections Committees and representatives of higher education who devoted so much time and effort to this legislation expected that the governing boards of foundations would see to it that the Act was implemented consistent with its stated purpose.

As you are probably aware, ~~this office was not in support of the final form of~~ this legislation. It was, however, a legislative expression of concern over irregularities disclosed at several institutions of higher education in recent years. In order that the Act be given a fair test free of the controversy and rancor of the 1989 session, we did not include a recommendation on foundations in our report to the 1990 General Assembly.

By copies of this letter, we are alerting appropriate members of the General Assembly to what appears to us to be a thwarting of the legislative will expressed through PA 89-267.

Very truly yours,

AUDITORS OF PUBLIC ACCOUNTS

LVD;HJB:lc

cc: Senator Kevin B. Sullivan
Senator Adela M. Eads
Senator John W. Atkin
Senator Thomas Scott
Rep. Naomi K. Cohen

Rep. Robert M. Ward
Rep. William A. Kiner
Rep. Mae S. Schmidle
Dr. Norma Foreman Glasgow
Dr. Dallas K. Beal

*Accepted by BOT at
Oct 4, 1991 meeting*

Henry Barnard Foundation, Inc.

*Report to Board of Trustees
October 1991*

Includes:

- 1. Current Board of Directors names and addresses*
- 2. Financial: Payment Authorization Forms*
- 3. Letter of Agreement: No changes, thus not attached.*

Henry Barnard Foundation, Inc. : BOARD of DIRECTORS

SEPTEMBER 1991

<u>NAME</u>	<u>Business Address</u>	<u>Residence</u>
Nathan Ancell (President)	Ethan Allen Drive Danbury, CT. 06801	447 Wilmont Rd. New Rochelle, NY 10804
Ms. Arnetta Dow	Self-employed	Pond Meadow Road Westbrook, CT 06498
Ms. Brenda Eckert	Shipman & Goodwin Counselors at Law One American Row Hartford, CT 06103	Whiting Estates 24 Govenors Roe West Hartford, CT 06117
Karl Epple	Heli-Coil Corp. Shelter Rock Lane Danbury, CT. 06810	146 Chestnut Ridge Bethel, CT. 06810
Dr. James Frost (Treasurer)	retired	17 Neal Drive Simsbury, CT 06070
Norm Gavin	173 Church Street Yalesville, CT. 06492	2545 Ridge Road North Haven, CT 0647
Brendan Kennedy	<i>Consultant - Lobban</i> CT Retail Merchants 60 Washington St. Hartford, CT. 06106	139 Hazelmere Road New Britain, CT 06050
Dan Kyker Vice-Pres.	(retired)	32 Ironwood Road West Hartford, CT. 06117
James Lyon (Secretary)	Murtha, Cullina, Richter & Pinney Counselors at Law CITYPLACE	25 Bishop Road West Hartford, CT 06119

Hartford, CT 06103

Wallace Rubin

Wayside Furniture Co.
1650 Boston Post Rd.
Milford, CT 06460

414 Rob Roy Lane
Oronoque Forest
Westville P.O., CT
06515

Ex-Officio and Non-Voting Members:

Dr. Dallas Beal

Connecticut St Univ
P.O. Box 2008
New Britain, CT 06050
(Ex-officio)

246 Old Farms Road
Simsbury, CT. 06070

Linda Thomsen
(BOT rep.)

97 Parish Road
New Canaan, CT 06840

Patricia Martin
(Faculty)

83 Windham Street
E C S U
Willimantic, CT 06226

175 Zion Street
Hartford, CT 06106

Rolanda Johnson
(Student)

Crandall Hall #235
E C S U
Willimantic, CT 06226

49 Henry Street
Hartford, CT 06104



Central Connecticut State University

A Campus of the Connecticut State University

1615 Stanley Street P.O.Box 4010 • New Britain, CT 06050 - 4010

Office of the President
(203) 827-7203

M E M O R A N D U M

TO: Dr. Dallas K. Beal
President, Connecticut State University

FROM: John W. Shumaker
President, Central Connecticut State University

DATE: September 4, 1991

SUBJECT: Annual CCSU Foundation Report

Enclosed is the audit report of the Central Connecticut State University Foundation, Inc., for the period ending June 30, 1990. Both Vice President Mitchell and I have reviewed the audit. This report is submitted in compliance with Public Act 89-267 and Board Resolution 90-31.

If you have any questions concerning this report, please do not hesitate to call upon me.

ww
691
enc.
c: R. Judd

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SEP 6 1991

OFFICE OF THE PRESIDENT
CENTRAL CONNECTICUT
STATE UNIVERSITY



An Equal
Opportunity
Employer

CCSU FOUNDATION, inc.

BOARD OF DIRECTORS

Chairman

Mr. William C. Lichtenfels
Spouse: Eileen
1596 Asylum Avenue
West Hartford, CT 06117
(203)523-0685

Vice Chairman

Mr. Karl J. Krapek
Spouse: Tina
32 Longview Road
Avon, CT 06001
(203)673-1833

Secretary

Dr. Richard L. Judd
Spouse: Nancy
119 Ten Acre Road
New Britain, CT 06052
(203)225-7329

Treasurer

Mr. John S. Manning
Spouse: Brenda
1492 Flanders Road
Southington, CT 06489
(203)747-6389

Mrs. Judith D. Budney

Spouse: Henry
3 Ledge Drive
Kensington, CT 06037
(203)828-1043

Mr. Phillip L. Chaput

Spouse: Leslie
63 Hurdle Fence Drive
Avon, CT 06001
(203)673-0506

Mr. Michael J. D'Amato

Spouse: Linda
156 Butternut Lane
Southington, CT 06489
(203)628-8307

Mr. Garth W. Edwards

Spouse: Ollie
75 Windsor Road
Kensington, CT 06037
(203)229-3033

President

AMS Associates
Canal House
128 Garden Street
Farmington, CT 06032
(203)676-8158

Chairman

Carrier Corporation
Carrier World Headquarters
One Carrier Place
Farmington, CT 06034-4015

Executive Dean, Inst. Advancement

Central Conn. State University
1615 Stanley Street
New Britain, CT 06050
(203)827-7210

President

First City Bank
370 West Main Street
P.O. Box 2755
New Britain, CT 06050
(203)224-3865

Vice President & Secretary

Budney Company, Inc.
131 New Park Drive
P.O. Box 158
Berlin, CT 06037
(203)828-0585

Senior Vice President

Middlesex Mutual Assurance Co.
200 Court Street
P.O. Box 891
Middletown, CT 06457
(203)347-4621

President

W. E. O'Neil Construction, Co.
45 Wyllys Street
Hartford, CT 06106
(203)724-3385

serving

CENTRAL CONNECTICUT STATE UNIVERSITY

Mr. Ronald F. Gilrain
Spouse: Arleen
72 Hurdle Fence Drive
Avon, CT 06001
(203)673-0509

Mr. Theodore S. Kolzak
Spouse: Jennifer
26 Treeborough Drive
West Hartford, CT 06117
(203)561-2212

Mr. Robert J. Maerz
Spouse: Eileen
35 Waterside Lane
West Hartford, CT 06107
(203)521-2720

Atty. Harry N. Mazadoorian
Spouse: Janice
401 Monroe Street
New Britain, CT 06052
(203)225-3876

Mrs. Elena T. Ritoli
Spouse: Robert McGurgan
37 Thunderbird Drive
Southington, CT 06489

Mrs. Paul K. Rogers
151 Hillside Road
Kensington, CT 06037
(203)225-2231

Mr. Thomas E. Sherer
Spouse: Marcia
31 Sulgrave Road
West Hartford, CT 06107
(203)521-0419

Dr. John W. Shumaker
Spouse: Michele Deasy
44 Drumlin Road
West Simsbury, CT 06092
(203)651-6055

Mr. Richard A. Williams
307 North Quaker Lane
West Hartford, CT 06119
(203)233-8928

Vice President, Public Affairs
The Stanley Works
Corporate Headquarters
1000 Stanley Drive
New Britain, CT 06050
(203)827-3882

President
The Coleman Corporation
105 Edwin Road
South Windsor, CT 06074
(203)289-3552

President
Gerber Scientific Instrument
83 Gerber Road
South Windsor, CT 06074
(203)644-1551

Assistant General Counsel
CIGNA Corporation
900 Cottage Grove Road
Bloomfield, CT 06152
(203)726-6451

President
Metallurgical Processing Inc.
68 Arthur Street
P.O. Box 2320
New Britain, CT 06053
(203)224-2648

President
Central Conn. State University
1615 Stanley Street
New Britain, CT 06050
(203)827-7203

Assoc. Professor of History
Central Conn. State University
1615 Stanley Street
New Britain, CT 06050
(203)827-7447

ECSU FOUNDATION, INC.
POST OFFICE BOX 431, WILLIMANTIC, CONNECTICUT 06226

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STATE UNIVERSITY

Kay Roan
Chair

Roberta Dwyer
Vice Chair

Roger Adams
Treasurer

Mary Landon
Secretary

Roger Abell

Michael Alberts

Gail Baker

Del Anne Carey

Lynn Duval

Robert Gillard

Karl Hanka

Lya Hoar

Donald Hodgins

Sophie Jenkins

Paul Lankarge

George Meehan

Eugene Mittelman

Robin Mullaney

Richard Nassiff, Sr.

Bernice Niejadlik

John C. O'Brien, Esq.

Raymond Parlato, Esq.

Edith Prague

Stephen M. Rouse, M.D.

William Sleith

Joseph Tubridy

Carolyn Wentworth

September 4, 1991

Dr. Pete M. Rosa
Director of Governmental Relations
Connecticut State University
P.O. Box 2008
New Britain, Connecticut 06050

Dear Dr. Rosa:

Enclosed is the updated list of members and officers of the ECSU Foundation which Dr. Beal requested of Dr. Carter. If we can answer any further questions, please do not hesitate to contact me.

Sincerely,

Kathleen Roan

Kathleen Roan
Chair
ECSU Foundation, Inc.

KR:bj

enclosure

Update: July 1, 1991
LRW:bj

FOUNDATION BOARD MEMBERS 1990 - 91

OFFICERS AND EXECUTIVE COMMITTEE

Kay Roan, Chair (1993)
110 Bolivia Street
Willimantic, CT 06226
423-5015

Roberta "Bobbi" Dwyer, Vice Chair (1992)
637 Route 6
Andover, CT 06232
742-8617 (H) (Timothy)

Roger Adams, Treasurer (1993)
278 Wormwood Hill Road
Mansfield, CT 06250
429-0135 (H) (Cynthia)

Mary Landon, Secretary (1992)
P.O. Box 74
Leonard Bridge Road
Lebanon, Ct 06249
228-0649 (H) (John)

Asst. Vice President
The Savings Institute
803 Main Street
Willimantic, CT 06226
423-4581 ext. 235 (W)

Executive Director
Willimantic Chamber of
Commerce
1010 Main Street
Willimantic, CT 06226
423-6389 (W)

Asst. Vice President
N. E. Savings Bank
Tyler Square
1320 Main Street
Willimantic, CT 06226
423-8431 (W)

MEMBERS

David G. Carter, Sr. (ex-officio)
9 Charles Lane
Storrs, CT 06268
429-3595 (H) (Lena)

Leon Sarin (ex-officio)
168 Prospect Street
Willimantic, CT 06226
456-1913 (H)

Deborah Adam (ex-officio)
175 Mack Road
Lebanon, CT 06249
642-6702 (H)

President
Eastern CT State Univ.
83 Windham Street
Willimantic, Ct 06226
456-5221 (W)

Faculty Representative
Eastern CT State Univ.
83 Windham Street
Willimantic, CT 06226
456-5460 (W)

Student Representative
Eastern CT State Univ.
316 Occum Hall
Willimantic, CT 06226
450-1073 (on campus)
423-4581 (W)

TERM EXPIRES 1991

Roger Abell
P.O. Box 131
N. Windham, CT 06256
455-1049 (H) (Tina)

Paul Lankarge
120 Eastbury Hill
Glastonbury, CT 06033
633-0525 (H) (Elizabeth)

Richard Nassiff, Sr.
162 Philip Lauter Avenue
Willimantic, CT 06226
423-5726 (H) (Eleanor)

William H. Sleith
32 Wyllys Street
Manchester, CT 06040
643-5541 (H)

Vice President
Potter's Oil Service
688 Boston Post Road
N. Windham, CT 06256
423-1684 (W)

P.O. Box 91
E. Glastonbury, CT 06025
401-846-0802 (W)

TERM EXPIRES 1992

Michael Alberts
RR 1, Box 203
Woodstock, CT 06281
974-3663 (H)

Gail Baker
91A Jordan Road
Willimantic, CT 06226
423-8894 (H)

Del Anne Carey
Main Street
Box 33
South Windham, CT 06266
423-2490 (H) (Andrew)
423-0695

Lynn Duval
125 Sawmill Brook Lane
Mansfield Center, CT 06250
423-3744 (H) (Joseph)

Commercial Lending Officer
Fleet Bank
676 Main Street
Willimantic, CT 06226
456-6505 (W)
456-6533 (FAX)

Sr. Marketing Consultant
WILI AM-FM Radio
720 Main Street
Willimantic, CT 06226
456-1111 (W)
456-9501 (FAX)

Reading Consultant
Lebanon Board of Ed.
Exeter Road
Lebanon, CT 06249
642-7593 (W)

Managing Publisher
The Broadcaster
700 Main Street
Willimantic, CT 06226
456-2211 (W)

Karl Hanka
24 Echo Drive
Willimantic, CT 06226
456-8283 (H) (Lee)

Sophie Jenkins
63 Ridge Road - Chaplin
North Windham, CT 06256
455-9020 (H) (William)

Robin Mullaney
12 Oak Street
Willimantic, CT 06226
456-8172 (H)

John O'Brien
87 Main Street
Stonington, CT 06378
535-0505 (H) (Joan)

Attorney at Law
O'Brien, Shafner,
Bartnik, Stuart &
Kelly, P.C.
P.O. Drawer 929
475 Bridge Street
Groton, CT 06340
445-2463 (W)

Raymond F. Parlato
107 Broad Street
Danielson, CT 06239
774-6321 (H) (Eileen)

Attorney at Law
6 Storrs Road
Willimantic, CT 06226
450-1002 (W)

Edith Prague
Route 87
Columbia, CT 06237
228-9280 (H) (Franklin)

Dr. Stephen Rouse
Box 111
Plains Road
Windham, CT 06280
456-7744 (H) (Robin)

Eastern CT Ear, Nose &
Throat, P.C.
36 Watson Street
Willimantic, CT 06226
456-0287 (W)

Joseph Tubridy
298 Walnut Street
Willimantic, CT 06226
423-2276 (H) (Dorothy)

Carolyn Wentworth
177 West Town Street
Lebanon, CT 06249
642-7115 (H) (Robert)

TERM EXPIRES 1993

Luva Hoar
Box 301, Cox Road
Portland, CT 06480
342-5195 (H)

Donald Hodgins
39 Bundy Lane
Storrs, CT 06268
429-8965 (H) (Diane)

George Meehan
6 Katherine Avenue
Danielson, CT 06239
774-4202 (H) (Mary)

Eugene Mittelman
316 North Street
Willimantic, CT 06226
423-6145 (H) (Georgia)

Bernice Niejadlik
Box 304
Alexander Lake
Danielson, CT 06239
774-3779 (H)

TERM EXPIRES 1994

Barbara Korsu
3 Brendi Trail
Columbia, CT 06237
228-4138 (H) (Howard)

Joseph Mazzola
148 Chestnut Street
Willimantic, CT 06226
423-5704 (H) (Elizabeth)

Vice President
Conecticut National Bank
161 Water Street
Norwich, CT 06360
800-825-9773 (W)

President
Gem Chevrolet
106 Storrs Road
Willimantic, CT 06226
456-0008 (W)

Secretary
Water Pollution Control
Authority
P.O. Box 327
Killingly, CT 06239
774-7723 (W)

Mortgage Officer
Liberty Bank/Freedom
Financial
315 Main Street
Middletown, CT 06457
800-712-7424 (W)



CSU

EASTERN CONNECTICUT STATE UNIVERSITY

A campus of the Connecticut State University

Office of the President

September 18, 1991

Dr. Peter M. Rosa
Director of Governmental Relations
Connecticut State University
P.O. Box 2008
New Britain, Connecticut 06050

Dear Dr. Rosa:

In response to Dr. Beal's request of August 22 for certain items concerning the ECSU Foundation, Public Act 89-267 and Board Resolution 90-31, I have asked the president of the ECSU Foundation to forward such information if the Foundation Board has no objections. Kathleen Roan, president of the board, has informed me that under separate cover the Foundation will send you an updated list of members and officers.

During 1990-91 the Foundation paid \$131.24 in salary to Marlene Genereux, a University Assistant in the Institutional Advancement Office. The Foundation paid no consulting fees, loans or perquisites to CSU employees.

I am enclosing an updated letter of agreement between Eastern Connecticut State University and the ECSU Foundation, Inc. Please note that the Foundation is now reimbursing the University \$400 per year.

If you have any further questions, please feel free to contact me or Lucille Wooding, our staff liaison to the Foundation. Ms. Wooding can be reached at 456-5269 and I am at 456-5222.

Sincerely,

David G. Carter
President
Eastern Connecticut
State University

DGC:bj

Letter of Agreement

Between Eastern Connecticut State University on behalf of the Board of Trustees for the Connecticut State University and the ECSU Foundation, Inc.

27-21
The following letter of agreement establishes the relationship between Eastern Connecticut State University, hereinafter referred to as the University, and the ECSU Foundation, Inc., hereinafter referred to as the Foundation, in accordance with Public Act 89-267 and Board Resolution 89-180. Both the University and the Foundation agree to adhere to the law and policy cited above and to the provisions contained herein until such time as this letter of agreement is rescinded or modified by consent of all parties and approval of the Board of Trustees.

Facilities and Resources

The University shall make available office space, storage space, office furniture and equipment, utilities, photocopying services, computer systems and space for the maintenance of the books and records of the Foundation. The reimbursement policies outlined below will be in place for those expenses that otherwise would not be incurred by the University as a result of Foundation operations.

The maintenance of such books and records at the University shall not cause them to be deemed public records nor shall such records be subject to disclosure pursuant to the provisions of section 1-19 of the Connecticut General Statutes.

Reimbursement

The Foundation shall reimburse the University for expenses, including the costs of personal services, which are incurred as a result of Foundation operations and which would not have been incurred otherwise by the University by customary University operations.

In addition to such specific reimbursement, the Foundation shall provide an annual general reimbursement of \$400 to cover overhead costs.

Liability

Neither the University, the Board of Trustees for Connecticut State University nor the Foundation shall have any liability for the obligations, acts or omissions of the other party.

Other

The Foundation shall insure that any monies received by the

Foundation and defined in Section (3) of Public Act 89-267 as funds that should be deposited at the University are transferred to the University in a timely manner.

To the extent that it can do so, consistent with U.S. Postal Service Statutes and Regulations, the Foundation may use the University intra-campus mail system.

The Foundation shall be responsible for retaining and compensating the independent auditing firm that is required by Section 2(7) of Public Act 89-267.

Dissolution

Should the Foundation cease to exist or cease to be a foundation as defined by Section 1 of Public Act 89-267, it shall

- (1) Be prohibited from using the name of the University;
- (2) Make available to the University its records, or copies of such records provided that such records or copies thereof shall not be deemed to be public records and shall not be subject to disclosure pursuant to the provisions of Section 1-19 of the Connecticut General Statutes; and
- (3) Transfer title of all of its remaining assets to the Board of Trustees for the benefit of the University, in consultation with the University and consistent with donor intent. The Foundation shall specify applicable restrictions and transfer title in accordance with Section 10a-150 of the Connecticut General Statutes and Board Resolution 87-192.

Signature	<u>David H. Carter</u>	Signature	<u>Kathleen W. Roan</u>
Title	<u>President, ECSU</u>	Title	<u>Chairman of the Board</u>
Date	<u>9/18/91</u>	Date	<u>9/18/91</u>

cc: Dallas K. Beal
President, CSU

09-04-91



OFFICE OF THE PRESIDENT

A unit of The Connecticut State University

SOUTHERN CONNECTICUT STATE UNIVERSITY

501 Crescent Street • New Haven, Connecticut 06515 • (203) 397-4234


September 19, 1991

Dr. Dallas K. Beal
President
The Connecticut State University
P.O. Box 2008
New Britain, CT 06050

Dear Dallas:

I have enclosed the information you requested concerning the Southern Connecticut State University Foundation. Please note that there has been no change to the Letter of Agreement between the Foundation and the University.

Sincerely yours,


Michael J. Adanti
President

MJA/oc
Attachments

cc: W. Bowes
J. Putney

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SEP 24 1991

SOUTHERN
CONNECTICUT
UNIVERSITY



SOUTHERN CONNECTICUT STATE UNIVERSITY

501 Crescent Street • New Haven, Connecticut 06515

Office of the Vice President
For Administrative Affairs
Telephone: (203) 397-4585

Letter of Agreement by and between SCSU and SCSU Foundation, Inc.

This Letter of Agreement establishes the relationship between Southern Connecticut State University (the "University"), and Southern Connecticut State University Foundation, Inc. (the Foundation") in accordance with Public Act 89-267 and Board Resolution #89-180. Both the University and the Foundation agree to adhere to the law and policy cited above and to the provisions contained herein until such time as this Letter of Agreement is rescinded or modified by written consent of all parties and approval of the Board of Trustees. 90-3

1. Facilities and Resources

The University shall make available office space, storage space, office furniture and equipment, utilities, photocopying services, computer systems and space for the maintenance of the books and records of the Foundation. The reimbursement policies outlined below will be in place for those expenses that otherwise would not be incurred by the University as a result of Foundation operations.

The maintenance of such books and records at the University shall not cause them to be deemed public records nor shall such records be subject to disclosure pursuant to the provisions of Section 1-19 of the Connecticut General Statutes.

2. Reimbursement

The Foundation shall reimburse the University for expenses, including the costs of personal services, which are incurred as a result of Foundation operations and which would not have been incurred otherwise by the University by customary University operations. In addition to such specific reimbursement, the Foundation shall provide monthly general reimbursement of \$100.00 to cover overhead costs.

3. Liability

Neither the University nor the Board of Trustees for Connecticut State University shall be liable for the obligations, acts or omissions of the Foundation. Likewise, the Foundation shall not be liable for the obligations, acts or omissions of either the University or the Board of Trustees for Connecticut State University.

4. Dissolution

Should the Foundation cease to exist or cease to be a foundation as defined by Section 1 of Public Act 89-267, it shall

- (1) be prohibited from using the name of the University;
- (2) make available to the University, its records, or copies of such records provided that such records or copies thereof shall not be deemed to be public records and shall not be subject to disclosure pursuant to the provisions of Section 1-19 of the Connecticut General Statutes; and
- (3) after payment of all its liabilities and obligations, transfer title of all its remaining assets to the Board of Trustees for the benefit of the University in accordance with Section 10a-150 of the Connecticut General Statutes and Board Resolution 87-192, EXCEPT to the extent there is restriction on an asset which prohibits the transfer of such asset to the University or where the University does not want the asset, in which case such asset shall be distributed by the Foundation, upon the approval of its Board of Directors, to any nonprofit charitable or educational organization that promotes purposes similar to the Foundation.

AGREED AND ACCEPTED:

SOUTHERN CONNECTICUT STATE
UNIVERSITY

SOUTHERN CONNECTICUT STATE
UNIVERSITY FOUNDATION, INC.

[Signature]
By its President

Date

[Signature]
By its Chairman

11/23/93
Date

SOUTHERN CONNECTICUT STATE UNIVERSITY FOUNDATION, INC.

Fees, Loans, and Other Compensation
Paid to SCSU Employees
FY 1990-91

1. Eileen West \$160.00

Ms. West is employed by the University part-time as a university assistant. She was hired to work part-time by the Foundation to assist with projects on Outer Island.

2. Olafs Zeidenbergs \$525.00

Olafs Zeidenbergs is a member of the SCSU Art Department. The amount paid represents final payment of fees for services rendered in behalf of the Foundation's Art Gallery as authorized by President Adanti.

SOUTHERN CONNECTICUT STATE UNIVERSITY FOUNDATION, INC.
AS OF SEPTEMBER 1991

<u>Name</u>	<u>Title</u>	<u>Date of Appointment Or (Re)Election</u>	<u>Business Address</u>	<u>Residence Address</u>
Donald M. Baribault*	Chairman Board of Directors/President	February 21, 1991	55 Brinsmade Road Hamden, CT 06514	55 Brinsmade Road Hamden, CT 06514
John Putney	Secretary/Treasurer	February 21, 1991	NA - Retired	8 Stanton Road North Haven, CT 06473
William Horowitz	Director	February 21, 1991	NA - Retired	123 York Street New Haven, CT 06511
Mario Zangari	Director	February 21, 1991	Siegel, O'Connor, Schiff, Zangari & Kainen P.C. 171 Orange Street New Haven, CT 06510	31 Rogers Road Hamden, CT 06517
Rose Verdi	Director	February 21, 1991	NA - Retired	429 Woodin Street Hamden, CT 06514
Joseph Ciaburri	Director	February 21, 1991	Amity Bank 128 Amity Road Woodbridge, CT 06525	110 Ansonia Road Woodbridge, CT 06525
William Bowes	Director, Non-voting (President's Designee)	February 21, 1991	S.C.S.U. 501 Crescent Street New Haven, CT 06515	72 Roberts Road Marlborough, CT 06447
Dieter Burow	Director, Non-voting (Faculty)	February 21, 1991	S.C.S.U. 501 Crescent Street New Haven, CT 06515	
Vacant	Director, Non-voting (Student)			

*Resigned Effective 9/12/91



Western Connecticut State University

A Campus of the Connecticut State University

Danbury, Connecticut 06810 • 203 / 797-4201

Office of the President

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SEP 9 1991

CONNECTICUT
STATE UNIVERSITY

September 5, 1991

Dr. Dallas K. Beal
President
Connecticut State University
P.O. Box 2008
New Britain, CT 06050

Dear Dallas:

In accordance with Board Resolution 90-31, I am enclosing:
(1) a list of the current members of the Board of Directors
of the University Foundation of Western Connecticut, (2) a
list of all reimbursements drawn to WCSU employees for the
period January 1990 through December 1990.

No salaries are paid by the Foundation; however, it does pay
an outside bookkeeper, not affiliated with the university,
as well as an accounting firm to do a certified audit. We
will send you information pertaining to subsequent audits
when they are completed, in accordance with PA 89-267.

Sincerely,


Stephen Feldman
President

jpb
Encl.



An Equal
Opportunity
Employer

UNIVERSITY FOUNDATION OF WESTERN CONNECTICUT, INC.

Chairman

Ronald J. Tarsi

Vice Chairman

Gino J. Arconti

Secretary-Treasurer

Frederick J. Leuthauser

Directors

E. Roger Clark

Daryle J. Dennis

Richard Gretsch

Covington Hardee

Mary Lanigan

Constantine Macricostas

A. Searle Pinney

John Rich

Stephen Feldman (non-voting University President)

William Walton (non-voting faculty member)

Ursula Gleissner (non-voting student member)

MUGFORD & RADZIEWICZ

CERTIFIED PUBLIC ACCOUNTANTS

18 VINE STREET · NEW BRITAIN, CT 06052 · (203) 223-2701
167 SPRING STREET · CHESHIRE, CT 06410 · (203) 271-0293
FAX: (203) 229-7214

**Board of Directors
Central Connecticut State University Foundation, Inc.
New Britain, Connecticut**

We have examined the financial statements of Central Connecticut State University Foundation, Inc. for the year ended June 30, 1989. During the course of our examination we became aware of several matters that, while not involving material weaknesses in internal accounting control, are opportunities for strengthening internal controls and operating efficiency. The memorandum that accompanies this letter summarizes our comments and suggestions regarding those matters and comments on prior year recommendations.

We will review the status of these comments during our next audit engagement. We have already discussed many of these comments and suggestions with various agency personnel, and will be pleased to discuss them in further detail at your convenience or to assist you in implementing the recommendations.

**MUGFORD & RADZIEWICZ
Certified Public Accountants**

**New Britain, Connecticut
November 15, 1989**

PRIOR YEAR RECOMMENDATIONS

RECORDING CASH RECEIPTS AND DISBURSEMENTS IN THE GENERAL LEDGER

Cash balances in the operating fund checking account must be reconciled to the general ledger on a monthly basis. To facilitate this, the cut off date used to reconcile the checkbook to the bank statement should be the end of the month. Any adjustments to the checkbook (void checks, bank service charges, errors in deposits, checks returned because of insufficient funds, etc.) have to be considered for adjusting the cash account in the general ledger. Bank deposits should not be entered in the checkbook until the date the deposit is made. There should be a written policy for determining when to void an old outstanding check.

Result

Checkbook balance is reconciled to the monthly bank statement, but not to the general ledger. A bank deposit made the third week of July was entered in the checkbook and general ledger as of June 30. No written policy for the voiding of old outstanding checks has been established.

PAYMENTS TO NONEMPLOYEES

Payments amounting to \$600 or more in a calendar year to or on behalf of an individual, other than reimbursed expenses for which the recipient submits verification of the expenditure, should be reported to the Internal Revenue Service on Form 1099. For example, the lease payments to Morande Ford for Coach Brown's vehicle may be a taxable fringe benefit to Coach Brown and reportable to the Internal Revenue Service by the Payer. In addition, the lease should be subject to sales tax unless the lease is directly related to the Foundation's tax exempt purpose. Misuse of sales tax exemptions could jeopardize the non profit status of an organization.

Result

This recommendation has been implemented.

AUTHORIZATION OF EXPENDITURES

Payments to individuals should be authorized by someone other than the recipient of the expenditure. Although receipts vouchers and other documentation exist, there has been some relaxation in the authorization procedures. There should be a written policy regarding the authorization of expenditures and transfers.

Result

As of October 1, 1989, a written policy exists regarding authorization of expenditures.

TAXPAYER IDENTIFICATION NUMBER (TIN)

The taxpayer identification number of the Foundation should appear on all financial accounts of the Foundation. This comment is directed specifically to the savings account at Valley Teachers Credit Union which lists what appears to be an individual's TIN on the account.

Result

This recommendation has been implemented.

CUSTODIAL FEES

The Foundation's policy regarding the charging of a custodial fee to certain funds should be reviewed to determine whether a transaction based fee or some other criteria would result in a more equitable method of compensating the Foundation for administrative duties.

Result

No action taken.

INVESTMENT PHILOSOPHY

A written policy should be developed regarding the Foundation's investment philosophy. Objectives and a means of monitoring those objectives should be set forth.

Result

This recommendation is still under consideration.

CURRENT YEAR RECOMMENDATIONS

BOOKKEEPING MATTERS

Summarized postings to the general ledger should be avoided because they do not provide an adequate audit trail.

Establish a procedure to record charge card transactions so that revenue and expense can be recorded in the proper period, and that recognition of the expense (merchant discount fee) can be stated separately.

In order to provide proper documentation for disbursements, the purchase order and the disbursement order should not be separated until after all required signatures have been obtained.

DEFERRED SUPPORT AND REVENUE

A written procedure should be established to provide for the proper recognition of deferred revenue. Deferred revenue must be monitored so that amounts can be taken into income as the expenditure is made. A modification of your disbursement order would facilitate this requirement. If the restriction placed on the donation is not met as to time or purpose, the unexpended funds should revert to the donor unless donor agrees to alter the restriction.

C C S U FOUNDATION, INC.
Financial Statement

JUNE 30, 1990

C C S U FOUNDATION, INC.
NEW BRITAIN, CONNECTICUT

FINANCIAL STATEMENT

JUNE 30, 1990 and 1989

Independent Accountant's Audit Report

Financial Statements:

- Exhibit "A" Balance Sheet - Assets
- Exhibit "B" Balance Sheet - Liabilities and Fund Balances
- Exhibit "C" Statement of Support, Revenue, Expenses and Changes in Fund Balances
- Exhibit "D" Statement of Cash Flows for the Year Ended June 30, 1990 and 1989
- Exhibit "E" Institutional Enrichment - Schedule of Support, Revenue, Expenses and Changes in Fund Balances
- Exhibit "F" Student Support - Schedule of Support, Revenue, Expenses and Changes in Fund Balances
- Exhibit "G" Auxiliary - Schedule of Support, Revenue, Expenses and Changes in Fund Balances
- Exhibit "H" Academic Enrichment - Schedule of Support, Revenue, Expenses and Changes in Fund Balances
- Exhibit "I" Research - Schedule of Support, Revenue, Expenses, and Changes in Fund Balances
- Exhibit "J" Foundation - Schedule of Support, Revenue, Expenses, and Changes in Fund Balances
- Exhibit "K" Analysis of Functional Support Revenue and Expense



MUGFORD & RADZIEWICZ
CERTIFIED PUBLIC ACCOUNTANTS

18 VINE STREET · NEW BRITAIN, CT 06052 · (203) 223-2701
167 SPRING STREET · CHESHIRE, CT 06410 · (203) 271-0293

Independent Auditors' Report

To the Board of Directors
C C S U Foundation, Inc.
New Britain, Connecticut

We have audited the accompanying balance sheets of C C S U Foundation, Inc. (a non-profit organization) as of June 30, 1990 and 1989 and the related statements of support, revenue, expenses and changes in fund balances and cash flows, and the supplemental information included in Exhibits E through K for the year ended June 30, 1990. These financial statements are the responsibility of the Foundation's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In connection with our audit, nothing came to our attention that caused us to believe that the Foundation failed to comply with the provisions of sections one through five of Connecticut Public Act No. 89-267, except as indicated in Note 8 to the financial statements, insofar as they relate to accounting matters. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of C C S U Foundation, Inc. as of June 30, 1990 and 1989, and the results of its operations for the year ended June 30, 1990 in conformity with generally accepted accounting principles.

MUGFORD & RADZIEWICZ
Certified Public Accountants

New Britain, Connecticut
October 17, 1990

EXHIBIT "A"

C.C.S.U. FOUNDATION, INC.
BALANCE SHEETS
JUNE 30, 1990 AND 1989

	OPERATING FUND UNRESTRICTED	OPERATING FUND RESTRICTED	JUNE 30, 1990 ALL FUNDS	JUNE 30, 1989 ALL FUNDS
ASSETS				
CURRENT ASSETS				
Cash	62,073	138,440	200,513	13,050
Short Term Investments		1,224,396	1,224,396	1,257,113
Cash Value Life Insurance		7,475	7,475	7,153
Short term loans receivable		3,805	3,805	3,428
Other receivables		21,000	21,000	9,934
TOTAL CURRENT ASSETS	62,073	1,395,116	1,457,189	1,290,678
Fixed Assets At A Cost Of \$23,784.49 Less Accumulated Depreciation of \$20,833.26	2,951	0	2,951	5,691
TOTAL FIXED ASSETS	2,951	0	2,951	5,691
OTHER ASSETS				
Art Collection		1,915,000	1,915,000	1,915,000
	0	1,915,000	1,915,000	1,915,000
TOTAL ASSETS	65,024	3,310,116	3,375,140	3,211,369

See Accompanying Notes and Independent Auditor's Report

EXHIBIT "B"

C.C.S.U. FOUNDATION, INC.
BALANCE SHEETS
JUNE 30, 1990 AND 1989

	OPERATING FUND UNRESTRICTED	OPERATING FUND RESTRICTED	JUNE 30, 1990 ALL FUNDS	JUNE 30, 1989 ALL FUNDS
LIABILITIES AND FUND BALANCES				
Cash overdrawn		0	0	22,141
Class of 1959		58	58	53
Class of 1962		5,510	5,510	5,060
Class of 1963		169	169	155
Class of 1970		9,493	9,493	8,718
Class of 1972		10,459	10,459	9,604
Class of 1973		7,128	7,128	6,546
Class of 1974		1,398	1,398	1,284
Class of 1975		17,456	17,456	16,029
Class of 1976		11,878	11,878	10,908
Deferred Revenue and Support			0	32,249
Payable to Alumni Association	5,674		5,674	3,986
TOTAL LIABILITIES	5,674	63,549	69,223	116,733
FUND BALANCES				
Inst. Enrichment		505,160	505,160	414,245
Student Support		455,458	455,458	309,939
Auxiliary		148,609	148,609	115,132
Academic Enrichment		2,136,736	2,136,736	2,200,378
Research		604	604	604
Foundation	59,350		59,350	54,338
TOTAL FUND BALANCES	59,350	3,246,567	3,305,917	3,094,636
TOTAL LIABILITIES AND FUND BALANCES	65,024	3,310,116	3,375,140	3,211,369

See Accompanying Notes and Independent Auditor's Report

MUGFORD & RADZIEWICZ

EXHIBIT "C"

C.C.S.U. FOUNDATION INC.
 STATEMENT OF SUPPORT, REVENUE, EXPENSE AND CHANGES IN FUND BALANCES
 FOR THE YEARS ENDED JUNE 30, 1990 AND 1989

	INSTIT. ENRCHMNT	STUDENT SUPPORT	AUXILIARY	ACADEMIC ENRCHMNT	RESEARCH	UNRESTRICTED FOUNDATION	TOTAL 6/30/90	ALL FUNDS 6/30/89
SUPPORT AND REVENUE								
Donations	48,257	169,114	131,369	136,972		37,204	522,916	2,225,897
Interest	38,353	28,976	0	17,003		22,334	106,666	86,896
Program Income	8,805	7,685	102,045	127,294			245,829	356,530
Custodial Fees	0	0	0	0		11,346	11,346	8,866
Other Fees	0	0	0	0	0	0	0	25,000
Gain(Loss) on sale of assets	0	0	0	0	0	5,025	5,025	(2,125)
TOTAL SUPPORT AND REVENUE	95,415	205,775	233,414	281,269	0	75,909	891,782	2,701,064
EXPENSE								
Programs	80,573	67,342	214,834	248,536	4,801	53,347	669,433	497,318
Custodial Fees	2,120	2,398	3,371	3,183			11,072	8,667
Other Disbursements	0	0	0	0			0	0
TOTAL EXPENSE	82,693	69,740	218,205	251,719	4,801	53,347	680,505	505,985
EXCESS(DEFICIT) SUPPORT AND REVENUE OVER EXPENSE	12,722	136,035	15,209	29,550	(4,801)	22,562	211,277	2,195,079
TRANSFERS IN(OUT)	78,194	9,485	18,265	(93,195)	4,801	(17,550)	0	0
BEGINNING BALANCE	414,244	309,938	115,135	2,200,381	604	54,338	3,094,640	899,557
ENDING BALANCE	505,160	455,458	148,609	2,136,736	604	59,350	3,305,917	3,094,636

See Accompanying Notes and Independent Auditor's Report

EXHIBIT "D"

C.C.S.U. FOUNDATION, INC.
 COMPARATIVE STATEMENT OF CASH FLOWS
 FOR THE YEARS ENDING JUNE 30, 1990 AND 1989

	JUNE 30, 1990	JUNE 30, 1989
	-----	-----
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from donors and programs	\$703,104	\$697,131
Cash paid to suppliers and programs	(638,166)	(507,756)
Interest received	106,666	86,896
Gain/(loss) on sale of assets	5,025	(2,125)
	-----	-----
CASH PROVIDED BY OPERATING ACTIVITIES	176,629	274,146
	-----	-----
CASH FLOWS FROM INVESTING ACTIVITIES		
Transfer from(to) CNB investment account	32,975	(311,651)
	-----	-----
	32,975	(311,651)
	-----	-----
NET INCREASE IN CASH AND CASH EQUIVALENTS	209,604	(37,505)
CASH - BEGINNING OF YEAR	(9,091)	28,414
	-----	-----
CASH - END OF YEAR	\$200,513	(\$9,091)
	=====	=====

**SCHEDULE RECONCILING EARNINGS TO NET CASH
 FLOW FROM OPERATING ACTIVITIES**

Excess of Support and Revenue over Expenses	\$211,277	\$2,195,079
Depreciation	2,740	3,194
(Increase)/decrease in Investments	(258)	(27,589)
(Increase)/decrease in cash surrender of life insurance	(320)	(1,473)
(Increase)/decrease in receivables	(11,443)	(13,162)
(Increase)/decrease in land	0	56,000
(Increase)/decrease in art collection	0	(1,915,000)
Increase/(decrease) in class payables	5,194	3,015
Increase/(decrease) in deferred income	(32,249)	32,249
Increase/(decrease) in land deposit	0	(5,000)
Increase/(decrease) in other payables	1,688	(53,167)
	-----	-----
	\$176,629	\$274,146
	=====	=====

See Accompanying Notes and Independent Auditor's Report

EXHIBIT "E"

C.C.S.U. FOUNDATION INC.
 INSTITUTIONAL ENRICHMENT
 SCHEDULE OF SUPPORT, REVENUE, EXPENSE AND CHANGES IN FUND BALANCES
 FOR THE YEARS ENDED JUNE 30, 1990 AND 1989

SUPPORT AND REVENUE	FRIENDS OF THE LIBRARY	JAMES-HAUSER INT'L EXCHANG	EURO-AM. STUDIES	ASIAN-AM STUDIES	WELTE SOCIETY	OTHER FUNDS	TOTAL
Donations	1,303	1,610	10,400	10,000	14,865	10,079	48,257
Interest	984	11,794			23,656	1,919	38,353
Program Income	4,991	3,000			0	814	8,805
TOTAL SUPPORT AND REVENUE	7,278	16,404	10,400	10,000	38,521	12,812	95,415
EXPENSES							
Programs	409	3,929	10,866	14,415	35,738	15,216	80,573
Custodial Fees	49	589	56	120	1,183	123	2,120
Other Disbursements						0	0
TOTAL EXPENSES	458	4,518	10,922	14,535	36,921	15,339	82,693
EXCESS(DEFICIT) OF SUPPORT AND REVENUE OVER EXPENSE	6,820	11,886	(522)	(4,535)	1,600	(2,527)	12,722
TRANSFERS IN (OUT)				78,194		0	78,194
BEGINNING BALANCE	10,510	125,915	0	0	252,550	25,269	414,244
ENDING BALANCE	17,330	137,801	(522)	73,659	254,150	22,742	505,160

See accompanying Notes and Independent Auditor's Report

MUGFORD & RADZIEWICZ

EXHIBIT "F"

C.C.S.U. FOUNDATION INC.
STUDENT SUPPORT
SCHEDULE OF SUPPORT, REVENUE, EXPENSE, AND CHANGES IN FUND BALANCES
FOR THE YEARS ENDED JUNE 30, 1990 AND 1989

SUPPORT AND REVENUE	ATHLETIC SCHOLARSHIP	CCSU FND. UNDES.	CLASS OF 1940 SCHOLARSHIP	HUANG SCHOLARSHIP	KETCHAM SCHOLARSHIP	KOH SCHOLARSHIP	TANSEY SCHOLARSHIP	OTHER FUNDS	TOTAL
Donations	7,852	515	750	100,000	1,000		5,015	53,982	169,114
Interest			955	3,122	1,338	6,150	1,005	16,406	28,976
Program Income								7,685	7,685
TOTAL SUPPORT AND REVENUE	7,852	515	1,705	103,122	2,338	6,150	6,020	78,073	205,775
EXPENSE									
Programs	818	10,000	600	6,129	300	5,230	750	43,515	67,342
Custodial Fees	42	0	48	156	67	308	50	1,727	2,398
Other Disbursements								0	0
TOTAL EXPENSE	860	10,000	648	6,285	367	5,538	800	45,242	69,740
EXCESS(DEFICIT) OF SUPPORT AND REVENUE OVER EXPENSE	6,992	(9,485)	1,057	96,837	1,971	612	5,220	32,831	136,035
TRANSFERS IN (OUT)		9,515						(30)	9,485
BEGINNING BALANCE	9,958	0	10,196	3,119	14,281	65,652	10,739	195,993	309,938
ENDING BALANCE	16,950	30	11,253	99,956	16,252	66,264	15,959	228,794	455,458

accompanying Notes and Independent Auditor's Report

MUGFORD & RADZIEWICZ

C.C.S.U. FOUNDATION INC.
AUXILIARY
SCHEDULE OF SUPPORT, REVENUE, EXPENSE AND CHANGES IN FUND BALANCES
FOR THE YEARS ENDED JUNE 30, 1990 AND 1989

	ATHLETIC DISCR. FUND	ARTS AND SCIENCES	PRESIDENT'S DISCRETIONARY	SCHOOL OF BUSINESS	SCHOOL OF EDUCATION	SCHOOL OF TECH.	OTHER FUNDS	TOTAL
SUPPORT AND REVENUE								
Donations	54,064	505	62,500	1,545	1,300	10,105	1,350	131,369
Interest							0	0
Program Income	25,145	379		44,240	19		32,262	102,045
TOTAL SUPPORT AND REVENUE	79,209	884	62,500	45,785	1,319	10,105	33,612	233,414
EXPENSES								
Programs	41,346	1,436	73,585	46,290	2,337	10,840	39,000	214,834
Custodial Fees	626	101		283	72		2,289	3,371
Other Disbursements							0	0
TOTAL EXPENSES	41,972	1,537	73,585	46,573	2,409	10,840	41,289	218,205
EXCESS(DEFICIT) OF SUPPORT AND REVENUE OVER EXPENSES	37,237	(653)	(11,085)	(788)	(1,090)	(735)	(7,677)	15,209
TRANSFERS IN (OUT)			(6,000)	(1,000)		20,000	5,265	18,265
BEGINNING BALANCE	12,518	2,014	37,742	5,660	1,436	7,831	47,934	115,135
ENDING BALANCE	49,755	1,361	20,657	3,872	346	27,096	45,522	148,609

See Accompanying Notes and Independent Auditor's Report

MUGFORD & RADZIEWICZ

EXHIBIT "H"

C.C.S.U. FOUNDATION, INC.
 ACADEMIC ENRICHMENT
 SCHEDULE OF SUPPORT, REVENUE, EXPENSE AND CHANGES IN FUND BALANCES
 FOR THE YEARS ENDED JUNE 30, 1990 AND 1989

	H.B. JESTIN FUND	POLISH HERITAGE	TAIWAN EXEC DEVEL SEMINAR	TOMASSO TECHNOLOGY	VANCE LEC. SERIES	OTHER FUNDS	TOTAL
SUPPORT AND REVENUE							
Donations	1,027	4,250	2,500	100,000	0	29,195	136,972
Interest	3,659	7,429		2,367		3,548	17,003
Program Income		0	45,000		30,000	52,294	127,294
TOTAL SUPPORT AND REVENUE	4,686	11,679	47,500	102,367	30,000	85,037	281,269
EXPENSE							
Programs	500	10,772	24,606	105,716	33,696	73,246	248,536
Custodial Fees	183	371		118		2,511	3,183
TOTAL EXPENSE	683	11,143	24,606	105,834	33,696	75,757	251,719
EXCESS(DEFICIT) OF SUPPORT AND REVENUE OVER EXPENSE	4,003	536	22,894	(3,467)	(3,696)	9,280	29,550
TRANSFERS IN (OUT)			12,736	(15,000)		(90,931)	(93,195)
BEGINNING BALANCE	39,068	79,316	0	25,270	(4,690)	2,061,417	2,200,381
ENDING BALANCE	43,071	79,852	35,630	6,803	(8,386)	1,979,766	2,136,736

See Accompanying Notes and Independent Auditor's Report

EXHIBIT "I"

C.C.S.U. FOUNDATION INC.
RESEARCH
SCHEDULE OF SUPPORT, REVENUE, EXPENSE AND CHANGES IN FUND BALANCES
FOR THE YEARS ENDED JUNE 30, 1990 AND 1989

	RESEARCH
SUPPORT AND REVENUE	
Donations	
Interest	
Program Income	
TOTAL SUPPORT AND REVENUE	0
EXPENSES	
Programs	4,801
Custodial Fees	
Other Disbursements	
TOTAL EXPENSES	4,801
EXCESS(DEFICIT) OF SUPPORT AND REVENUE OVER EXPENSE	(4,801)
TRANSFERS IN(OUT)	4,801
BEGINNING BALANCE	604
ENDING BALANCE	604

See Accompanying Notes and Independent Auditor's Report

EXHIBIT "J"

C.C.S.U. FOUNDATION INC.
 SCHEDULE OF SUPPORT, REVENUE, EXPENSE, AND CHANGES IN FUND BALANCES
 FOR THE YEARS ENDED JUNE 30, 1990 AND 1989

	UNRESTRICTED FOUNDATION	OTHER UNRES. FUNDS	TOTAL
SUPPORT AND REVENUE			
Donations	32,124	5,080	37,204
Interest	22,334		22,334
Program Income			
Custodial Fees	11,346		11,346
Other Fees			
Gain (Loss) on Sale of Assets	5,025		5,025
TOTAL SUPPORT AND REVENUE	70,829	5,080	75,909
EXPENSES			
Programs	53,347		53,347
Other Expenses			0
TOTAL EXPENSES	53,347	0	53,347
EXCESS(DEFICIT) OF SUPPORT AND REVENUE OVER EXPENSES	17,482	5,080	22,562
TRANSFERS IN (OUT)	(17,550)	0	(17,550)
BEGINNING FUND BALANCE	53,055	1,283	54,338
ENDING FUND BALANCE	52,987	6,363	59,350

See Accompanying Notes and Independent Auditor's Report

EXHIBIT "K"

C.C.S.U. FOUNDATION INC.
ANALYSIS OF FUNCTIONAL SUPPORT, REVENUE AND EXPENSE
FOR THE YEARS ENDED JUNE 30, 1990 AND 1989

	INSTIT. ENRCHMNT	STUDENT SUPPORT	AUXILIARY	ACADEMIC ENRCHMNT	RESEARCH	UNRESTRICTED FOUNDATION	TOTAL 6/30/90	ALL FUNDS 6/30/89
TOTAL SUPPORT AND REVENUE	95,415	205,775	233,414	281,269	0	75,909	891,782	2,701,064
Administrative	540	0	102	920	0	16,159	17,721	46,249
Institutional Representation	27,413	0	79,643	66,877	0	7,297	181,230	120,886
Stipend/ Honoraria	14,260	1,168	54,220	47,478	0	2,385	119,511	87,991
Scholarship	0	63,774	0	0	0	0	63,774	47,646
Grants	3,784	2,400	1,000	1,192	4,801	6,174	19,351	10,986
Books etc.	1,611	0	2,951	4,750	0	583	9,895	5,716
Equipment etc.	13,390	0	37,017	115,986	0	3,773	170,166	115,976
Printing and Postage	18,858	0	25,862	9,657	0	7,767	62,144	49,371
Reg./Membership	716	0	14,040	1,676	0	1,003	17,435	5,318
Depreciation						2,740	2,740	3,194
Interest						5,466	5,466	3984
Custodial Fees	2,121	2,398	3,370	3,183	0	0	11,072	8,668
TOTAL EXPENSES	82,693	69,740	218,205	251,719	4,801	53,347	680,505	505,985
EXCESS OF SUPPORT & REVENUE OVER EXPENSES	12,722	136,035	15,209	29,550	(4,801)	22,562	211,277	2,195,079
TRANSFERS IN(OUT)	78,194	9,485	18,265	(93,195)	4,801	(17,550)	0	0
CHANGE IN FUND BALANCE	90,916	145,520	33,474	(63,645)	0	5,012	211,277	2,195,079

See Accompanying Notes and Independent Auditor's Report

MUGFORD & RADZIEWICZ

C C S U FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 1990

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Central Connecticut State University Foundation, Inc. have been prepared on the accrual basis. The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

BASIS OF PRESENTATION

The accompanying financial statements include the assets, liabilities and fund balances and financial activities of all funds of the Foundation.

FUND ACCOUNTING

In order to assure observance of limitations and restrictions placed on the use of resources available to the Foundation, the accounts of the Foundation are presented in accordance with the principles of fund accounting. This is the procedure by which resources are classified for accounting and reporting into funds established according to their nature and purposes.

The Assets, liabilities and fund balances of the Central Connecticut State University Foundation, Inc. are reported in fund groups as follows:

Unrestricted operating funds which represent the portion of operating funds that is available for support of the Foundation's operations.

Restricted operating funds which represent the portion of operating funds restricted in its application by outside agencies or persons. The restricted funds are:

1. Institutional Enrichment
2. Student Support
3. Auxiliary
4. Academic Enrichment
5. Research

FIXED ASSETS AND DEPRECIATION

Additions to fixed assets retained for use in the Foundation have been charged to the Unrestricted Foundation Account. Depreciation of exhaustible fixed assets is provided over the estimated useful lives of the respective assets on a straight line basis and is charged to the Unrestricted Foundation account.

The undepreciated cost of fixed assets does not purport to be either a realizable value or a replacement value. Fixed assets acquired for use in a specific program have been charged to that fund as program disbursements.

INCOME TAXES

The Foundation is exempt from federal income taxes under Section 501(c)(3) of the internal revenue code.

DONATED PROPERTY

Property other than cash is recorded at the fair market value at the time of the donation.

NOTE 2 - SHORT TERM INVESTMENTS

Investments are reported at cost except for life insurance policies which are carried at a nominal value of \$1.00 each.

The analysis of short term investments at 6/30/90 is:

		<u>COST</u>	<u>MARKET VALUE</u>
\$200,000	F H L B CONS BD.		
	9.55% 12/27/93 REG	\$ 202,000.00	\$ 202,124.00
200,000	SUPER VALUE STORES		
	10.5% 7/15/95	205,170.00	204,990.00
200,000	COMMONWEALTH EDISON		
	1ST MTG.		
	9.375% 5/15/2004	190,254.00	193,000.00
200,000	TEXACO, INC.		
	8.50% 4/1/2006	166,500.00	185,000.00
200,000	MICHIGAN BELL TELEPHONE		
	9.6% 10/1/2008	204,028.00	198,044.00
237,413	CNB MONEY MARKET	237,413.31	237,413.31
	7 CONN MUTUAL LIFE		
	INS. POLICIES @ \$1.00	7.00	7.00
	1 SECURITY CONN LIFE		
	INS. POLICY @ \$1.00	1.00	1.00
19,023	CASH - INCOME, INVESTED INCOME, & PRINCIPAL	<u>19,022.88</u>	<u>19,022.88</u>
TOTAL HELD BY CONN. NATIONAL BANK		<u>\$1,224,396.19</u>	<u>\$1,239,602.19</u>

The average return on invested assets for the year ended June 30, 1990 was 9.3668%.

NOTE 3 DEFERRED REVENUE

Deferred revenue at 6/30/89 included unexpended balances of gifts restricted for specific operating purposes or for use in definable future periods. The balance was expended during the year ended 6/30/90.

NOTE 4 - PAYABLE TO ALUMNI ASSOCIATION

A memorandum of understanding, as amended on 10/28/86, exists between the Foundation and the CCSU Alumni Association stating that 50% of the Alumni Contributions (net of expenses) raised during the year will be turned over to the Alumni Association in the succeeding year. At June 30, 1990 this liability was \$5,674.

NOTE 5 - REVENUE & DISBURSEMENTS

Foundation revenue includes custodial fees charged to class accounts and specified funds in the amount of \$11,346.

The fees charged were determined as follows:

- a) For those funds receiving interest income distributions - 5% of the interest income or \$25.00 - whichever is greater.
- b) For those funds not receiving interest income - 5% of annual expenditures with no minimum as long as a deficit is not created.
- c) Class accounts (liabilities) - 5% of the interest income with no minimum fee.

The funds being charged custodial fees have included those fees as disbursements. The result of this is that both total revenue and total disbursements have been overstated by \$11,073. The remaining \$273 of Foundation custodial income was recorded as reducing the liability in the class accounts.

NOTE 6 - ACADEMIC ENRICHMENT

Included in the Chen Fund balance is artwork valued at \$1,915,000. This asset has a stipulation that it will not be deaccessed by the Foundation during the lifetime of the donor.

Included in Other Funds Program Disbursements for year end 6/30/89 is the amount of \$19,300 used for the purchase of a trailer to be given to CCSU. The acceptance by the Connecticut Department of Fleet Operations did not occur until 10/6/89.

NOTE 7 - MISCELLANEOUS EXPENSE

Included under this classification of expenses are \$6,000 in fees charged by Connecticut National Bank for the management of investment portfolios.

NOTE 8 - CONNECTICUT PUBLIC ACT NO. 89-267

Connecticut Public Act No. 89-267 requires that a student who is enrolled at the University, be elected by the students enrolled at the University to serve as a nonvoting member of the governing board. Although students were notified of this requirement, no student election was held, and there was therefore no student representation on the governing board. Elections are currently scheduled at the University, and the Foundation will be in compliance with this requirement upon completion of that election.