



NORWALK COMMUNITY COLLEGE FOUNDATION, INC.

**FINANCIAL STATEMENTS
(Together with Independent Auditor's Report)**

For the Years Ended June 30, 2026 and 2025

NORWALK COMMUNITY COLLEGE FOUNDATION, INC.

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Independent Auditor's Report

The Board of Directors
Norwalk Community College Foundation, Inc.

Opinion

We have audited the financial statements of Norwalk Community College Foundation, Inc. (the "Foundation"), which comprise the statements of financial position as of June 30, 2026 and 2025, and the related statements of activities and change in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Foundation as of June 30, 2026 and 2025, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

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

CBIZ CPAs P.C.

Rockville, Maryland
September 21, 2026

NORWALK COMMUNITY COLLEGE FOUNDATION, INC.

STATEMENTS OF FINANCIAL POSITION

June 30, 2026 and 2025

	2026	2025
Assets		
Cash and cash equivalents	\$ 503,551	\$ 424,285
Investments	43,671,547	39,961,392
Prepaid expenses	11,451	17,087
Property and equipment, net	<u>5,906</u>	<u>11,281</u>
Total Assets	<u>\$ 44,192,455</u>	<u>\$ 40,414,045</u>
Liabilities		
Accounts payable and accrued expenses	\$ 35,716	\$ 31,139
Refundable advances	24,125	34,767
Grants payable	<u>1,541,404</u>	<u>1,152,381</u>
Total Liabilities	<u>1,601,245</u>	<u>1,218,287</u>
Net Assets		
Undesignated	3,927,583	3,376,350
Board designated	<u>1,401,526</u>	<u>1,401,526</u>
Net Assets Without Donor Restrictions	5,329,109	4,777,876
Net Assets With Donor Restrictions	<u>37,262,101</u>	<u>34,417,882</u>
Total Net Assets	<u>42,591,210</u>	<u>39,195,758</u>
Total Liabilities and Net Assets	<u>\$ 44,192,455</u>	<u>\$ 40,414,045</u>

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

NORWALK COMMUNITY COLLEGE FOUNDATION, INC.

STATEMENTS OF ACTIVITIES AND CHANGE IN NET ASSETS

For the Years Ended June 30, 2026 and 2025

	Year Ended June 30, 2026			Year Ended June 30, 2025		
	Without Donor Restrictions	With Donor Restrictions	Total 2026	Without Donor Restrictions	With Donor Restrictions	Total 2025
Support and Revenue						
Contributions	\$ 624,018	\$ 1,503,637	\$ 2,127,655	\$ 912,668	\$ 1,016,901	\$ 1,929,569
Contributions of non-financial assets	1,744	4,954	6,698	4,273	--	4,273
Investment return	637,248	4,074,038	4,711,286	556,467	3,325,941	3,882,408
Net assets released from restrictions	<u>2,738,410</u>	<u>(2,738,410)</u>	<u>--</u>	<u>2,142,852</u>	<u>(2,142,852)</u>	<u>--</u>
Total Support and Revenue	<u>4,001,420</u>	<u>2,844,219</u>	<u>6,845,639</u>	<u>3,616,260</u>	<u>2,199,990</u>	<u>5,816,250</u>
Expenses						
Program services	2,777,763	--	2,777,763	2,223,509	--	2,223,509
Management and general	348,763	--	348,763	363,150	--	363,150
Fundraising	<u>323,661</u>	<u>--</u>	<u>323,661</u>	<u>232,882</u>	<u>--</u>	<u>232,882</u>
Total Expenses	<u>3,450,187</u>	<u>--</u>	<u>3,450,187</u>	<u>2,819,541</u>	<u>--</u>	<u>2,819,541</u>
Change in Net Assets	551,233	2,844,219	3,395,452	796,719	2,199,990	2,996,709
Net Assets - Beginning	<u>4,777,876</u>	<u>34,417,882</u>	<u>39,195,758</u>	<u>3,981,157</u>	<u>32,217,892</u>	<u>36,199,049</u>
Net Assets - Ending	<u>\$ 5,329,109</u>	<u>\$37,262,101</u>	<u>\$ 42,591,210</u>	<u>\$ 4,777,876</u>	<u>\$ 34,417,882</u>	<u>\$ 39,195,758</u>

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

NORWALK COMMUNITY COLLEGE FOUNDATION, INC.

STATEMENTS OF FUNCTIONAL EXPENSES

For the Years Ended June 30, 2026 and 2025

	Year Ended June 30, 2026						
	Program Services			Supporting Services			Total 2026
	Scholarships	College Advancement	Total Program Services	Management and General	Fundraising	Total Supporting Services	
Expenses							
Salaries and benefits	\$ 233,249	\$ 123,002	\$ 356,251	\$ 260,757	\$ 224,800	\$ 485,557	\$ 841,808
Support to CT State Community College – Norwalk	1,226,862	1,084,266	2,311,128	--	--	--	2,311,128
Consultants-student coaching and support	54,778	--	54,778	--	--	--	54,778
Consultants and professional fees	4,090	2,212	6,302	16,407	4,026	20,433	26,735
Office operations and miscellaneous	<u>38,703</u>	<u>10,601</u>	<u>49,304</u>	<u>71,599</u>	<u>94,835</u>	<u>166,434</u>	<u>215,738</u>
Total Expenses	<u>\$ 1,557,682</u>	<u>\$ 1,220,081</u>	<u>\$ 2,777,763</u>	<u>\$ 348,763</u>	<u>\$ 323,661</u>	<u>\$ 672,424</u>	<u>\$ 3,450,187</u>
	Year Ended June 30, 2025						
	Program Services			Supporting Services			Total 2025
	Scholarships	College Advancement	Total Program Services	Management and General	Fundraising	Total Supporting Services	
Expenses							
Salaries and benefits	\$ 201,405	\$ 116,655	\$ 318,060	\$ 237,141	\$ 198,214	\$ 435,355	\$ 753,415
Support to CT State Community College – Norwalk	1,218,541	570,042	1,788,583	--	--	--	1,788,583
Support to Center for Science, Health and Wellness	--	27,000	27,000	--	--	--	27,000
Consultants-student coaching and support	31,740	275	32,015	--	--	--	32,015
Consultants and professional fees	6,297	3,687	9,984	86,114	6,586	92,700	102,684
Office operations and miscellaneous	<u>34,190</u>	<u>13,677</u>	<u>47,867</u>	<u>39,895</u>	<u>28,082</u>	<u>67,977</u>	<u>115,844</u>
Total Expenses	<u>\$ 1,492,173</u>	<u>\$ 731,336</u>	<u>\$ 2,223,509</u>	<u>\$ 363,150</u>	<u>\$ 232,882</u>	<u>\$ 596,032</u>	<u>\$ 2,819,541</u>

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

NORWALK COMMUNITY COLLEGE FOUNDATION, INC.

STATEMENTS OF CASH FLOWS

For the Years Ended June 30, 2026 and 2025

	2026	2025
Cash Flows From Operating Activities		
Change in net assets	\$ 3,395,452	\$ 2,996,709
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Realized and unrealized gains on investments, net	(4,616,430)	(3,658,674)
Depreciation	5,375	5,531
Contributions with perpetual donor restrictions	(120,927)	(18,700)
Changes in operating assets and liabilities:		
Promises to give	--	1,000
Prepaid expenses	5,636	(11,878)
Accounts payable and accrued expenses	4,577	(141,714)
Refundable advances	(10,642)	(122,251)
Grants payable	389,023	(279,827)
Total Adjustments	(4,343,388)	(4,226,513)
Net Cash Used in Operating Activities	(947,936)	(1,229,804)
Cash Flows From Investing Activities		
Proceeds from sale of investments	14,190,889	21,806,654
Purchase of investments	(13,284,614)	(20,625,799)
Purchase of property and equipment	--	(2,607)
Net Cash Provided by Investing Activities	906,275	1,178,248
Cash Flows From Financing Activities		
Contributions with perpetual donor restrictions	120,927	18,700
Net Cash Provided by Financing Activities	120,927	18,700
Net Increase (Decrease) in Cash and Cash Equivalents	79,266	(32,856)
Cash and Cash Equivalents - Beginning	424,285	457,141
Cash and Cash Equivalents - Ending	\$ 503,551	\$ 424,285

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

NORWALK COMMUNITY COLLEGE FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

For the Years Ended June 30, 2026 and 2025

NOTE 1 – PURPOSE AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

PURPOSE

The Norwalk Community College Foundation, Inc. (the “Foundation”) was chartered to raise funds for scholarships in support of CT State Community College – Norwalk (the “College”) students, as well as to support other College student success programs. The Foundation receives donations from individuals, foundations and businesses primarily through campaigns and periodic fundraising events.

The Foundation is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Contributions made to the Foundation qualify for the maximum tax deduction allowable under the United States Internal Revenue Code.

ACCOUNTING BASIS

The Foundation’s financial statements have been prepared on the accrual basis of accounting and presented in accordance with Financial Accounting Standards Board ("FASB") guidance for not-for-profit organizations. Under that guidance, the Foundation is required to report information regarding its net assets and revenues, gains, and losses based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Foundation and changes therein are classified and reported as follows:

- Without donor restrictions – Net assets that are not subject to explicit donor-imposed stipulations, including board-designated funds. Board-designated funds are amounts designated by the Board of Directors for future operating and strategic purposes.
- With donor restrictions – Net assets subject to donor-imposed stipulations, including stipulations that will be met either by actions of the Foundation, the passage of time or both, stipulations that they be maintained permanently by the Foundation, and net assets from endowments not yet appropriated for spending. When time and purpose restrictions expire, net assets with donor restrictions are reclassified to net assets without donor restrictions.

REVENUE RECOGNITION

PROMISES TO GIVE

Unconditional promises to give are recognized as revenue in the period the promise is received and recorded as assets or decreases of liabilities or expenses, depending on the form of the benefits received. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

NORWALK COMMUNITY COLLEGE FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

For the Years Ended June 30, 2026 and 2025

NOTE 1 – PURPOSE AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

REVENUE RECOGNITION (CONTINUED)

CONTRIBUTIONS

Unconditional contributions are recognized as support without donor restrictions unless their use is specifically restricted by the donor. When a donor restriction expires, the stipulated time restriction ends or the purpose of the restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities and change in net assets as net assets released from restrictions. Contributions for which restrictions are fulfilled in the same time period in which the contributions are received are recognized as support without donor restrictions. Contributions that are restricted (endowed) by the donor, from which the Foundation may utilize only the income, are recognized as net assets with donor restrictions.

Grants and contributions are nonexchange transactions and are accounted for under FASB Accounting Standards Update (“ASU”) 2018-08. Grants and contributions are recognized as revenue when barriers within the agreement are overcome, and there is no longer a right of return/release from obligation. The Foundation had conditional contributions of \$322,377 and \$184,767 as of June 30, 2026 and 2025, respectively. There are instances when the Foundation receives advances on grants and contributions. Such advances are recorded as refundable advances in the accompanying statements of financial position.

CONTRIBUTIONS OF NON-FINANCIAL ASSETS

Contributed services are recognized at fair value if the services received (i) create or enhance long-lived assets or (ii) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Contributions of tangible assets are recognized at fair value when received. The in-kind contributions of services reflected in the accompanying financial statements are offset by like amounts included in expenses.

CASH AND CASH EQUIVALENTS

The Foundation considers all highly liquid investments with an initial maturity of three months or less when acquired to be cash equivalents, except for those managed as a component of the Foundation’s investment portfolio. Cash equivalents totaled approximately \$107,000 and \$75,000 at June 30, 2026 and 2025, respectively.

INVESTMENTS

Investments are recorded at fair value with unrealized gains and losses included in the statements of activities and change in net assets. The Foundation reports investment income and gains and losses as increases or decreases in net assets without donor restrictions in the statements of activities and change in net assets unless a donor or law restricts their use.

PROPERTY AND EQUIPMENT

Property and equipment are carried at cost, if purchased, or at estimated fair value on the date of gift, if donated, and are depreciated over their respective estimated useful lives, which range between five and seven years. Assets with a cost of \$1,000 or more are capitalized as property and equipment.

NORWALK COMMUNITY COLLEGE FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

For the Years Ended June 30, 2026 and 2025

NOTE 1 – PURPOSE AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

UNCERTAINTY IN INCOME TAXES

The Foundation believes it has no uncertain tax positions as of June 30, 2026 and 2025, in accordance with Accounting Standards Codification (“ASC”) Topic 740, which provides standards for establishing and classifying any tax provisions for uncertain tax positions. None of the Foundation's federal or state income tax returns are currently under examination or pending examination.

USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (“U.S. GAAP”) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

FUNCTIONAL EXPENSES

The costs of providing various programs and other activities have been summarized on a functional basis in the accompanying statements of functional expenses. The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, these expenses require allocations on a reasonable basis that are consistently applied. The expenses that are allocated include salaries and benefits, consultants and professional fees, office operations and miscellaneous, which are allocated on the basis of estimates of time and effort. Support to CT State Community College – Norwalk, Center for Science, Health and Wellness costs, student coaching and support are expenses tracked by account across functions and directly allocated to the proper function.

NOTE 2 – LIQUIDITY AND AVAILABILITY

The Foundation regularly monitors liquidity required to meet its operating needs, while also striving to maximize the investment of its available funds. The Foundation has various sources of liquidity at its disposal, including cash and cash equivalents and marketable equity securities. For purposes of analyzing resources available to meet general expenditures within one year, the Foundation considers all expenditures related to its ongoing activities of providing support for the College and scholarships as well as services undertaken to support those activities to be general expenditures. In addition, the Foundation also anticipates collecting sufficient revenue to cover expenditures not covered by donor-restricted resources.

NORWALK COMMUNITY COLLEGE FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

For the Years Ended June 30, 2026 and 2025

NOTE 2 – LIQUIDITY AND AVAILABILITY (CONTINUED)

As of June 30, the Foundation's financial assets available for general expenditures within one year of the dates of the statements of financial position were as follows:

	2026	2025
Cash and cash equivalents	\$ 503,551	\$ 424,285
Investments	<u>43,671,547</u>	<u>39,961,392</u>
Subtotal	44,175,098	40,385,677
Less: Investments not redeemable within one year	(299,922)	--
Less: With donor restrictions	(37,262,101)	(34,417,882)
Less: Board-designated funds	<u>(1,401,526)</u>	<u>(1,401,526)</u>
Total Financial Assets Available for Use One Year	<u>\$ 5,211,549</u>	<u>\$ 4,566,269</u>

NOTE 3 – INVESTMENTS AND FAIR VALUE MEASUREMENT

The Foundation measures certain financial assets and liabilities at fair value on a recurring basis. Fair value is a market-based measure considered from the perspective of a market participant rather than an entity-specific measure. An entity is required to classify certain assets and liabilities measured at fair value based on the following fair value hierarchy that prioritizes the inputs used to measure fair value:

- Level 1 Unadjusted quoted prices in active markets for identical assets and liabilities.
- Level 2 Quoted prices for identical assets and liabilities in markets that are not active, quoted prices for similar assets and liabilities in active markets or other inputs that are observable or can be corroborated by observable market data.
- Level 3 Unobservable inputs that are supported by little or no market activity and may be derived from internally developed methodologies based on management's best estimates.

Commonfund OCIO, Inc. ("Commonfund") is engaged as the Foundation's investment manager. Certain of the Foundation's investments are classified as alternative investments and are measured at fair value using the net asset value ("NAV") practical expedient. The NAV reported by the investment manager is based on the Foundation's ownership interest in the underlying investment funds as of the measurement date. The investment strategies of these alternative investments are described on the following pages.

NORWALK COMMUNITY COLLEGE FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

For the Years Ended June 30, 2026 and 2025

NOTE 3 – INVESTMENTS AND FAIR VALUE MEASUREMENT (CONTINUED)

The tables below set forth by level, within the fair value hierarchy, the market value of the Foundation's investments as of June 30:

	2026		
	Level 1	Level 2	Total
Cash in transit	\$ 164,000	\$ --	\$ 164,000
Money market funds	3,360,905	--	3,360,905
Equities and equity funds	1,014,367	22,208,617	23,222,984
Fixed income funds	<u>298,752</u>	<u>11,728,200</u>	<u>12,026,952</u>
	<u>\$ 4,838,024</u>	<u>\$ 33,936,817</u>	38,774,841
Alternative investments measured at NAV as a practical expedient			<u>4,896,706</u>
Total Investments at Fair Value			<u>\$ 43,671,547</u>

	2025		
	Level 1	Level 2	Total
Cash in transit	\$ 500,000	\$ --	\$ 500,000
Money market funds	4,515,163	--	4,515,163
Equities and equity funds	2,178,906	19,818,186	21,997,092
Fixed income funds	<u>177,907</u>	<u>10,687,474</u>	<u>10,865,381</u>
	<u>\$ 7,371,976</u>	<u>\$ 30,505,660</u>	37,877,636
Alternative investments measured at NAV as a practical expedient			<u>2,083,756</u>
Total Investments at Fair Value			<u>\$ 39,961,392</u>

The Foundation's alternative investments measured at NAV as a practical expedient consist of the following investments:

- (A) Global Absolute Alpha Co. A (the "Fund") – The Fund is a diversified absolute return investment vehicle that seeks to generate attractive risk-adjusted returns with low correlation to traditional equity and fixed income markets. The Fund invests across a broad range of alternative investment strategies, including macro, relative value, event-driven, credit, and equity-oriented strategies, and may also hold direct investments in securities, derivatives, and cash equivalents.

NORWALK COMMUNITY COLLEGE FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

For the Years Ended June 30, 2026 and 2025

NOTE 3 – INVESTMENTS AND FAIR VALUE MEASUREMENT (CONTINUED)

- (B) CF OCIO Core Real Estate Fund, LLC (the “Fund”) – The Fund is a Delaware limited liability company established primarily for investment by foundations, endowments, health care institutions, and certain other tax-exempt institutional investors. The Fund seeks to provide returns in excess of its benchmark through investments in a diversified portfolio of open-end real estate funds managed by third-party investment managers. The underlying investments consist primarily of income-producing office, industrial, apartment, and retail properties located throughout the United States.
- (C) Venture Partners XV, LP (the “Partnership”) – The Partnership is a Delaware limited partnership that seeks long-term capital appreciation through investments in venture capital opportunities worldwide. The Partnership invests on a primary, secondary, and direct basis in venture capital funds and companies across various industries and stages of development.
- (D) Venture Partners XVI, LP (the “Partnership”) – The Partnership is a Delaware limited partnership that seeks long-term capital appreciation through investments in venture capital opportunities worldwide. The Partnership invests on a primary, secondary, and direct basis in venture capital funds and companies across various industries and stages of development.
- (E) OCIO Global Private Equity Fund VI, LP (the “Partnership”) – The Partnership is a Delaware limited partnership established to provide investors with long-term capital appreciation through a diversified portfolio of private equity investments. The Partnership invests primarily in private equity funds and co-investment vehicles pursuing buyout, growth equity, and other private equity strategies across various industries and geographic regions.

The following table summarizes investments measured at fair value using the NAV practical expedient as of June 30, 2026:

	Fair Market Value	Unfunded Commitment	Redemption Frequency	Redemption Notice Period
Global Absolute Alpha Co. A (A)	\$ 3,262,000	\$ --	Quarterly	65 calendar days; 25% investor-level limit per quarter, so full liquidation is paid over 4 quarters
CF OCIO Core Real Estate Fund, LLC (B)	1,334,784	--	Quarterly	100 calendar days before the last business day of the calendar quarter
Venture Partners XV, LP (C)	230,157	95,500	No redemption rights	N/A
Venture Partners XVI, LP (D)	44,765	317,900	No redemption rights	N/A
OCIO Global Private Equity Fund VI, LP (E)	25,000	475,000	No redemption rights	N/A
	<u>\$ 4,896,706</u>	<u>\$ 888,400</u>		

NORWALK COMMUNITY COLLEGE FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

For the Years Ended June 30, 2026 and 2025

NOTE 3 – INVESTMENTS AND FAIR VALUE MEASUREMENT (CONTINUED)

Investment income, net, was as follows for the years ended June 30:

	2026	2025
Interest and dividend income	\$ 208,383	\$ 302,897
Realized and unrealized gains, net	4,616,430	3,658,674
Investment fees	<u>(113,527)</u>	<u>(79,163)</u>
Investment Return, Net	<u>\$ 4,711,286</u>	<u>\$ 3,882,408</u>

NOTE 4 – PROPERTY AND EQUIPMENT, NET

Property and equipment consisted of the following as of June 30:

	2026	2025
Furniture and equipment	\$ 77,827	\$ 77,827
Less accumulated depreciation	<u>(71,921)</u>	<u>(66,546)</u>
Total	<u>\$ 5,906</u>	<u>\$ 11,281</u>

For the years ended June 30, 2026 and 2025, depreciation expense amounted to \$5,375 and \$5,531, respectively.

NOTE 5 – GRANTS PAYABLE

The Foundation has entered into various grant agreements with the College to support, among other things, an improvement in academic achievement and retention of students enrolled at the College. The expense has been included in “Support to CT State Community College – Norwalk” in the statements of functional expenses. As of June 30, 2026, the Foundation has committed to future grant payments totaling \$1,541,404.

Additionally, the Foundation has budgeted funding 2026-2027 academic year scholarships; however, formal agreements have not been executed and the scholarships are contingent on student enrollment and applications. These amounts are not reflected in the total grants payable to the College and are recorded in the statements of functional expenses when expended. As of June 30, 2026, the amount of the budgeted scholarship awards is \$1,895,000.

NOTE 6 – PENSION PLAN

The Foundation has a Safe Harbor 401(k) plan. This plan requires the Foundation to match employee contributions equal to 50% of the first 4% of the participant’s compensation. The Foundation has made a safe harbor, non-elective contribution equal to 7% of a participant’s compensation. Total pension expense for the years ended June 30, 2026 and 2025 was \$57,196 and \$48,046, respectively.

NORWALK COMMUNITY COLLEGE FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

For the Years Ended June 30, 2026 and 2025

NOTE 7 – CONTRIBUTIONS OF NON-FINANCIAL ASSETS

Contributions of non-financial assets consisted of the following for the years ended June 30:

Non-financial Asset	2026	2025	Fair Value Technique	Donor-imposed Restrictions	Program / Activity
Supplies	\$ --	\$ 3,130	Fair value of cost provided by donor	Without donor restrictions	College Advancement
Supplies	2,526	--	Fair value of cost provided by donor	With donor restrictions	Fundraising
Credit card services	2,428	--	Fair value of cost provided by donor	With donor restrictions	Fundraising
Credit card services	1,744	1,143	Fair value of cost provided by donor	Without donor restrictions	Fundraising
Total	<u>\$ 6,698</u>	<u>\$ 4,273</u>			

For the years ended June 30, 2026 and 2025, the Foundation received contributions of non-financial assets, including rental space, computer server use, and computer helpdesk support. The value of these contributions was not separately measured and is considered immaterial to the financial statements as a whole.

NOTE 8 – CONCENTRATIONS

The Foundation maintains cash balances at various financial institutions. Concentrations of credit risk result primarily from cash on deposit at these financial institutions in excess of Federal Deposit Insurance Corporation (“FDIC”) limits. At times during the year, cash and cash equivalent balances may be in excess of FDIC coverage. The uninsured cash balance was approximately \$15,000 and \$65,000 at June 30, 2026 and 2025, respectively.

NOTE 9 – NET ASSETS

Net assets with donor restrictions at June 30 are comprised of the following:

	2026	2025
Endowment corpus	\$ 17,075,339	\$ 16,878,649
Undistributed earnings on endowment	<u>15,388,160</u>	<u>12,198,638</u>
Total Endowment	32,463,499	29,077,287
Purpose restricted net assets for scholarships, college advancement and capital improvements	<u>4,798,602</u>	<u>5,340,595</u>
Total With Donor Restrictions	<u>\$ 37,262,101</u>	<u>\$ 34,417,882</u>

NORWALK COMMUNITY COLLEGE FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

For the Years Ended June 30, 2026 and 2025

NOTE 9 – NET ASSETS (CONTINUED)

A one-time, five percent administrative fee is assessed on all non-endowment gifts with program donor restrictions, upon receipt of the gift. Investment returns on net assets are restricted by the donor primarily for endowments of scholarships, but also include amounts for college advancement, and management and development. These revenues are recorded in net assets with donor restrictions.

Net assets released from restrictions were as follows during the years ended June 30:

	2026	2025
Scholarships	\$ 1,226,861	\$ 1,218,540
College advancement and other	<u>1,511,549</u>	<u>924,312</u>
Total Net Assets Released From Restrictions	<u>\$ 2,738,410</u>	<u>\$ 2,142,852</u>

NOTE 10 – ENDOWMENT FUNDS

The Foundation's endowment consists of approximately 100 individual funds established primarily for scholarships. Based on its interpretation of the State of Connecticut's Uniform Prudent Management of Institutional Funds Act ("CUPMIFA"), the Foundation has set as an objective, when market conditions allow, of the preservation of the fair value of the gifts as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies as net assets with donor restrictions the original value of gifts donated to the perpetual endowment as well as the original value of subsequent gifts to the perpetual endowment.

Investment gains and losses are included in net assets with donor restrictions until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by CUPMIFA. In accordance with CUPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the various funds, (2) the purposes of the donor-restricted endowment funds, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income including the appreciation of investments, (6) other resources of the Foundation, and (7) the Foundation's investment policies.

The Foundation adopted investment and spending policies, approved by the Board of Directors, for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment funds while also maintaining the purchasing power of those endowment assets over the long-term. The primary emphasis of the investment policy is to safeguard and preserve the principal of the endowment after inflation. Accordingly, the investment process seeks to achieve a total real rate of return, including investment income, as well as capital appreciation, which exceeds the annual distribution with acceptable levels of risk.

NORWALK COMMUNITY COLLEGE FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

For the Years Ended June 30, 2026 and 2025

NOTE 10 – ENDOWMENT FUNDS (CONTINUED)

Endowment assets are invested in a well-diversified asset mix which includes equities, fixed income, alternative investments and cash equivalents. This mix is intended to result in a consistent inflation-protected rate of return that has sufficient liquidity to make an annual distribution from the perpetual endowment in accordance with the spending policy (5% at June 30, 2026 and 2025) while growing the funds. Therefore, the Foundation's goal is for its endowment assets, over time, to produce a long-term real rate of return after inflation and net of fees. Actual returns in any given year may vary. Investment risk is measured in terms of the total endowment fund; investment assets and allocation between asset classes and strategies are managed to minimize exposure to unacceptable levels of risk. The Foundation reassesses its investment and spending policies annually.

Income and capital returns on endowment principal are spent, unless otherwise specified by the donor, in accordance with the Foundation's spending policy, which is based upon a "total return of capital" concept. Under this policy, the Foundation approves the spending rate annually. The approved percentage was applied to each perpetual endowment fund's average fair value for the prior five years. In establishing this spending policy, the Foundation considers the long-term expected return on its investment assets, the nature and duration of the individual endowment funds which must be maintained in perpetuity because of donor-restrictions and the possible effects of inflation.

During the years ended June 30, 2026 and 2025, there were no fund balances below the historical gift value. These amounts were available primarily for scholarships and other programs, less 1% for an administrative fee. The administrative fee is assessed annually to fund expenses incurred in meeting the Foundation's fiduciary and fundraising responsibilities to donors and the College. Any unspent investment income generated from the perpetual endowments is recorded as net assets with donor restrictions as directed by donor intent or applicable law. Amounts are released from net assets with donor restrictions as allocated by the Foundation's Board of Directors. Under CUPMIFA, the Foundation, if it deems prudent, may allow spending that reduces net assets with donor restrictions below historical gift value with the intention of replenishing the assets in a future period when market conditions allow.

Changes in donor-restricted purpose endowment and donor-restricted perpetual endowment net assets during June 30, 2026 and 2025, were as follows:

	2026	2025
Beginning of period	\$ 29,077,287	\$ 26,751,890
Contributions	120,927	18,700
Donor approved reclassification into endowment fund	75,763	--
Interest and dividend income	93,500	104,139
Realized and unrealized gains, net	4,072,078	3,136,842
Investment fees	(91,541)	(52,068)
Amounts appropriated for expenditure	<u>(884,515)</u>	<u>(882,216)</u>
End of Period	<u>\$ 32,463,499</u>	<u>\$ 29,077,287</u>

NORWALK COMMUNITY COLLEGE FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

For the Years Ended June 30, 2026 and 2025

NOTE 11 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through September 21, 2026, the date that the financial statements were available to be issued.