

Agreement Between
GRANT THORNTON LLP

and

**THE CONNECTICUT STATE COLLEGES AND UNIVERSITIES ON
BEHALF OF THE CONNECTICUT STATE UNIVERSITY SYSTEM,
THE REGIONAL-COMMUNITY TECHNICAL COLLEGE SYSTEM
AND CHARTER OAK STATE COLLEGE**

This Agreement is made between Grant Thornton LLP, with an office at 90 State House Square, Hartford, Connecticut (hereinafter the “Contractor” or “Grant Thornton”), and the Connecticut State Colleges and Universities (hereinafter “CSCU” or “State”) on behalf of the following three constituent units of the state (or entities): (1) the Connecticut State University System (hereinafter (“CSU”), (2) the Regional-Community Technical College System (hereinafter “CCC”) and (3) Charter Oak State College (hereinafter “COSC”), which are managed by the Connecticut State Colleges & Universities system (hereinafter “CSCU” or “System”), headquartered at 61 Woodland Street, Hartford, Connecticut (hereinafter collectively referred to as “CSCU” or individual Colleges and Universities shall be referred to as the “Institution”).

I. PURPOSE OF AGREEMENT

This Agreement, pursuant to an award made to the Contractor (CSCU-2102), provides for the provision of auditing, management advisory, and other related services to CSCU.

II. TERM AND TERMINATION

The term of this Agreement shall commence on May 1, 2021 or the date of the signature of the Office of the Attorney General, whichever occurs last (hereinafter referred to as “Effective Date”). This Agreement shall expire on April 30, 2026, unless amended or terminated earlier in accordance herewith.

III. AUDIT SERVICES TO BE PROVIDED BY THE CONTRACTOR

A. Scope of the Audit

During the term of the Agreement, the Contractor shall annually conduct three separate financial statement audits for the constituent units managed by CSCU. The Contractor shall conduct financial statement audits for, (1) the Connecticut State University System (2) the Regional-Community Technical Colleges, and (3) and Charter Oak State College each as a whole. The audited financial statements shall contain such supplementary information as is required by the Governmental Accounting Standards Board (hereinafter “GASB”) for each of the Institutions as well as basic financial statements, including, but not limited to:

1. Statement of Net Position;

2. Statement of Revenues, Expenses, and Changes in Net Position; and
3. Statement of Cash Flows.

B. Conduct of the Audit

Conduct of the Audit shall be in accordance with the Grant Thornton Engagement Letter section entitled “Scope of Services”, which shall be included in substantially similar form (subject to any intervening changes in accounting or auditing standards) in each year’s Engagement Letter. The Engagement Letter for the fiscal year ended June 30, 2021 is incorporated and appended hereto as Exhibit A.

C. Additional Audit Services

1. Prior to commencing the audit, the Contractor and the CSCU Chief Financial Officer (“CFO”) or his/her designee will meet jointly, negotiate, and finalize an audit work plan. This audit work plan shall specify major audit tasks, identify responsible person(s), and designate timelines and milestones;
2. In addition to routine engagement entrance and exit conferences, the Contractor shall schedule periodic briefings with the CSCU Chief Financial Officer or his/her designee to discuss the audit’s status and progress in relation to the established audit work plan and milestones. One such meeting shall be scheduled to discuss and explain the draft report deliverables; and
3. After completion of the audit and CSCU’s receipt and acceptance of all deliverables, a concluding briefing will be held with the Contractor for the purpose of critiquing the audit. The critique shall cover all aspects of the audit, including, but not limited to, recommendations for streamlining and expediting the subsequent year’s audit process. The briefing shall cover recommendations to strengthen any internal control weaknesses or finding deemed appropriate.

D. Work Papers and Reports

Audit work papers shall be prepared by the Contractor in accordance with due professional care and shall conform to the relevant standards established by the American Institute of Certified Public Accountants (“AICPA”). Audit work papers and reports shall be retained for a minimum of three (3) years from the date of the audit report or a period of one (1) year from the resolution of the audit findings and questioned costs whichever occurs later, unless the Contractor is notified in writing by CSCU to extend the retention period. Following the completion of the audit engagement for each year and subsequent to the completion of archiving, the Contractor, upon request, shall provide the Chief Financial Officer, or other individuals CSCU may designate, access to Contractor’s work papers. Any such designee, if not an employee of CSCU, shall execute a non-disclosure agreement with Contractor before commencing any review and shall not include any third party that provides professional services that compete with those currently contracted with the Contractor.

Further, such access shall be limited to those work papers that contain factual information about CSCU that is available in CSCU’s accounting records and related files, but is more readily accessible from Contractor’s work papers, such as client-prepared work papers, which may include information necessary to understand CSCU’s internal control, analyses

of accounts, information relating to commitments and contingencies, and other information about CSCU and of its institutions.

All work papers relating to the audits performed pursuant to this Agreement shall be the property of the Contractor and shall constitute confidential information. To the extent required by law or regulation, all such work papers shall be made available, without charge, for review within fifteen (15) days of receipt by the Contractor of a request from the Office of the State Comptroller, the Auditors of Public Accounts, the Federal Cognizant Audit Agency, the U.S. General Accounting Office or any of their designees during and at the completion of the audit. Moreover, the Contractor acknowledges that individual(s) and firm(s) engaged by CSCU for the performance of subsequent audit, accounting, or management advisory services may require access to the work papers. The Contractor agrees to make copies of the work papers available to such subsequently contracted individual(s) or firm(s) in accordance with AICPA AU-C 210 and 510, Contractor's policies related to work paper access and the protection of confidential and proprietary information, and the Contractor's standard agreements with respect to work papers.

Evidence and other supporting data that the Contractor may gather during the audit may include personal information that is protected under the provisions of the federal Gramm-Leach-Bliley Act (15 U.S.C. §6801, *et seq.*), and/or sections 4-189 through 4-197 of the Connecticut General Statutes. The Contractor shall take sufficient steps to safeguard such evidence and data from unauthorized disclosure. These safeguards shall be and remain in place from the time the data is gathered until the completion of the retention period and destruction of the work papers. The Contractor agrees that it shall comply with all statutory and regulatory requirements pertaining to the protection of confidential information, including, but not limited to, the Gramm-Leach-Bliley Act, and that it shall comply with the Board of Regents for Higher Education System Office Information Security Policy, a copy of which can be found at https://www.ct.edu/files/it/BOR_IT-004.pdf. The Contractor also acknowledges that it may be given access to education records in the course of performing its obligations pursuant to this Agreement. The Contractor acknowledges that such information is subject to the federal Family Educational Rights and Privacy Act ("FERPA") and agrees that it will utilize such information only to perform the services required by this Agreement and for no other purpose. The Contractor further agrees that it will not disclose such information to any third party without the prior written consent of the student to whom such information relates, unless such disclosure is compelled by law, regulation, or professional standards. CSCU shall limit disclosure and access to personal and educational information to the minimum amount of such information for the minimum amount of time necessary for Contractor to accomplish the intended purpose of such use or disclosure, and shall de-identify the personal and educational information provided to Contractor for purposes of the audit.

IV. CONTRACTOR'S AUDIT STAFFING

A. The Contractor shall:

1. Identify the individuals who will be performing the audit services under this contract;
2. Indicate the titles and respective involvement of each such individual, and

3. Upon CSCU's request, the Contractor shall provide resumes for each such individual, including their experience at comparable, preferably higher education, institutions.
- B. At a minimum, the Contractor shall assign a partner and manager, both with significant experience auditing higher education clients, to manage and oversee the audit;
- C. Other members of the Contractor's audit staff will be assigned by the Contractor as necessary to complete the contracted scope of work;
- D. The Contractor certifies that its firm and the individual(s) who shall perform accounting consulting or financial statement auditing services for CSCU under this contract meet all requirements of generally accepted auditing standards, including but not limited to, independence, requisite skills and experience, continued professional education, and peer review, and have met all other licensure requirements for the jurisdiction in which the audit will be conducted; and
- E. The Contractor states that it is owned by both professionals who hold Certified Public Accountant ("CPA") licenses and by professionals who are not licensed CPAs. Depending on the nature of the services provided under this contract, non-CPA owners may be involved in providing some audit or management advisory services to CSCU.

V. OPTIONAL MANAGEMENT AND AUDIT ADVISORY SERVICES

Subject to applicable independence standards, CSCU may request and the Contractor may provide the following, but not limited to, management and audit advisory services. These optional services must be mutually agreed upon by the Contractor and shall be provided at a fixed fee per service or an hourly rate as identified in Section XI.C at the preference of CSCU. For each requested service, the Contractor shall provide a written Scope of Work ("SOW") detailing the services to be performed, deliverables, anticipated timeframe for completion, and detailed fee and payment schedule. The Contractor must receive signed approval of such SOW from the CSCU's Chief Financial Officer or designee prior to the commencement of work.

1. Such support as the Audit Committee of the CSCU Board of Regents for Higher Education may require in performing its oversight function of the external audit processes;
2. Training for various professional and technical staff members of CSCU and the individual institutions. This training may include, but is not limited to, such areas as the following: governmental accounting, accounting within a college and university environment, GASB statements and their implementation, development of cost allocation plans, information systems auditing, federal financial reporting requirements, computer assisted audit techniques, specialized internal audit skills, and fraud prevention;
3. Periodic briefings to the senior financial managers within CSCU on changes promulgated in General Accepted Accounting Principles ("GAAP") including GASB

statements, technical bulletins, interpretations, and emerging issues, Internal Revenue Service (“IRS”) regulations reporting and disclosure requirements, other applicable federal and state regulations and requirements, and National Association of College and University Business Officers guidance and policies;

4. Assistance in analyzing the impact of IRS regulations and rulings on the CSCU operating environment. This may include, but shall not be limited to, preparing analyses of the impact of Unrelated Business Income Tax (“UBIT”) on proposed and/or current CSCU activities;
5. Performance of internal control reviews and specialized audits of the Management Information System general and application controls on a System-wide or individual institution basis;
6. Attendance at occasional additional meetings with CSCU representatives, scheduled at mutually acceptable times, as needed and at the request of the CFO and/or designee to review and discuss the Grant Thornton audit findings and other internal control issues in detail with CSCU management.
7. Providing assistance to CSCU and its individual components in the implementation of Government Financial Standards Board, FASB, and AICPA statements;
8. Providing advice and assistance in the implementation and reporting on Internal Revenue Service regulations and rulings; and
9. Providing advice and assistance in the implementation of the changes to the accounting and reporting process as the result of changes in state and federal statutes and regulations.

VI. Contractor’s Audit Responsibilities and Limitations

The objective of the financial statement audit is the expression of an opinion on the combined financial statements of CSCU, CSU and COSC each as a whole. The following shall apply to services provided under this contract:

- A. The Contractor shall perform the audit in accordance with auditing standards generally accepted in the United States of America. These auditing standards require that the Contractor plan and perform the audit to obtain reasonable assurance about whether the financial statements audited are free of material misstatement.
- B. The audit conducted by the Contractor will include examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements provided by the institution, assessing accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation.
- C. The Contractor shall follow up on known significant findings and recommendations identified from previous audits that directly relate to the objectives of the audit being undertaken under this contract, including those related to reportable conditions, to determine whether the entities have taken timely and appropriate corrective actions. The Contractor shall report the status of any uncorrected findings and recommendations that

were included in prior audit reports that affect the current financial statement audit being conducted under this contract.

- D. The Contractor is responsible for determining that the CSCU President, Chief Financial Officer and Board of Regents for Higher Education are informed about certain matters related to the conduct of the audit, including:
1. Any disagreements with the CSCU's management about matters that could be significant to CSU's, CCC's and/or COSC's financial statements or the Contractor's report thereon;
 2. Any serious difficulties encountered by the Contractor in performing the audit,;
 3. Information relating to the Contractor's independence with respect to CSCU;
 4. Other matters related to financial statements including its accounting policies and practices;
 5. All significant deficiencies and material weaknesses identified by the Contractor during the audit; and
 6. The Contractor is also responsible for ensuring that the President, Chief Financial Officer and the Board of Regents for Higher Education receive copies of certain written communications between the Contractor and management, including management representation letters and written communications on accounting, auditing, internal control or operational matters.
- E. The audit conducted under this contract will not be planned or conducted in contemplation of reliance by any specific third party or with respect to any specific transaction. Therefore, items of possible interest to a third party will not be specifically addressed and matters may exist that would be assessed differently by a third party, possibly in connection with a specific transaction.
- F. From time to time applicable auditing standards and requirements as outlined in Section VI may change. It is understood between the parties to this contract that the Contractor's financial statement audit conducted under this contract for any fiscal year included under this contract will conform to the audit responsibilities and limitations then in force based upon applicable standards-setting bodies. Should there be a substantive change in any of the professional auditing standards or requirements as outlined in Section VI herein, there shall be a written amendment to this agreement agreed upon by both parties and the Office of the Attorney General reflecting any required changes for the fiscal year audit so affected.
- G. As required by auditing standards generally accepted in the United States of America, the Contractor shall make specific inquiries of CSCU management and others about the representations embodied in the financial statements provided by CSCU and the effectiveness of internal control over its own financial reporting. Auditing standards generally accepted in the United States of America also require that the Contractor obtain written representations covering audited financial statements from certain members of

CSCU management. The results of the Contractor's audit tests, the responses to its inquiries and the written representations comprise the evidential matter the Contractor is intended to rely upon in forming its opinion on the financial statements.

- H. Upon completion of the audit, Contractor will provide CSCU with its written audit report on the financial statements referred to above. Contractor cannot provide assurance that an unmodified opinion will be expressed. Circumstances may arise in which it is necessary for Contractor to modify its opinion or add an emphasis-of-matter or other matter paragraph(s). If for any reason relating to the affairs or management of CSCU, Contractor is unable to complete the audit, Contractor may decline to issue a report as a result of this engagement.

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VII. CSCU Audit Assistance

- A. The CSCU Chief Financial Officer and the CSCU Controller shall be responsible for the overall management of the audit and the coordination of support.
- B. Each of the CSCU entities and the System Office shall provide assistance to the Contractor with the following. The Audit conducted under this contract may build upon, but not duplicate, this work:
1. Response to the Contractor's inquiries on the CSCU's accounting systems, policies and procedures, and practices followed at each CSCU institution and the system office,
 2. Available documentation including:
 - (a) Financial system and accounting policy and procedures,
 - (b) State accounting policy and procedures, and
 - (c) Office of the State Comptroller's year end close and Generally Accepted Accounting Principles instructions,
 3. Orientation to CSCU's financial systems and online inquiry function to such financial systems,
 4. Closing trial balance, draft financial statements, related schedules, and the related supporting documentation,
 5. Assistance in coordinating and production of statements, schedules, and underlying documentation,
 6. Limited office space, telephones and copy machines/facsimiles in the CSCU system office and each of the CSCU institutions, and
 7. Other informational resources including:

- (a) Prior year each CSCU financial statements,
- (b) Financial audits conducted by the state auditors of public accounts, and
- (c) Audits conducted by the state comptroller's compliance review unit.

VIII. CSCU Management's Audit and Related Responsibilities

CSCU management shall be responsible for:

- A. The constituent financial statements referred to in this contract.
- B. Establishing policies and procedures that pertain to the maintenance of accounting records, the authorization of receipts and disbursements, the safeguarding of assets, the proper recording of transactions in the accounting records, and for reporting financial information (including required supplementary information and other supplementary information, as appropriate) in conformity with accounting principles generally accepted in the United States of America.
- C. The design and implementation of programs and controls to prevent and detect fraud, and for informing the Contractor, about any of the following:
 - 1. All known or suspected fraud affecting CSCU involving:
 - (a) Management,
 - (b) Employees who have significant roles in internal control over financial reporting, and
 - (c) Others where the fraud could have a material effect on the financial statements.
 - 2. All knowledge of any allegations of fraud or suspected fraud affecting CSCU received in communications from employees, former employees, analysts, regulators, short sellers, or others.
- D. Adjusting the financial statements to correct material misstatements and for affirming to the Contractor that the effects of any uncorrected misstatements aggregated by the Contractor during the current engagement and pertaining to the year under audit are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.
- E. Notifying the Contractor of all material weaknesses and significant deficiencies in the design or operation of the CSCU's internal control over financial reporting that are reasonably likely to adversely affect CSCU's ability to record, process, summarize and report external financial data reliably in accordance with generally accepted accounting principles.
- F. Compliance with laws, regulations, and provisions of contracts and grants applicable to

the CSCU.

- G. Making available to the Contractor on a timely basis all of CSCU's original accounting records and related information, documentation of compliance matters and organization personnel to whom the Contractor shall direct inquiries.
- H. Responding to Contractor's inquiries and providing written representations as required and as referenced in Section VI.G.
- I. Resolving audit findings made by the Contractor and recommendations directed by the Contractor to the CSCU and for having a process to track the status of both such findings and such recommendations.
- J. Taking timely and appropriate steps to remedy fraud, illegal acts, and violations of provisions of contracts or grant agreements, or abuse that may be identified in the Contractor's reports.
- K. Reviewing and providing its response or feed-back on the Contractor's reported findings and recommendations, as well as providing CSCU management's planned corrective actions, the timing of such planned actions, and CSCU's official responsible for such actions.
- L. Distributing the Contractor's audit reports provided through this contract to the appropriate parties.
- M. Management acknowledges and understands its responsibility for the preparation of the supplemental information in accordance with the applied criteria. Management also acknowledges and understands its responsibility to include the Contractor's report on the supplemental information in any document that contains the supplemental information and indicates that the Contractor has reported on them.
- N. Management acknowledges and understands that they have responsibility for the preparation and fair presentation of the financial statements referred to above in accordance with accounting principles generally accepted in the United States of America. Management also acknowledges and understands their responsibility 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. Management is responsible for informing Grant Thornton (i) about all known or suspected fraud affecting the entity involving (a) management, (b) employees who have significant roles in internal control over financial reporting, and (c) others where the fraud could have a material effect on the financial statements; and (ii) of its knowledge of any allegations of fraud or suspected fraud affecting the entity received in communications from employees, former employees, analysts, regulators, short sellers, or others. Management is responsible for (i) adjusting the financial statements to correct material misstatements and for affirming to Grant Thornton that the effects of any uncorrected misstatements aggregated by Grant Thornton are immaterial, both individually and in the aggregate, to the financial statements taken as a whole; and (ii) notifying Grant Thornton of all material weaknesses, including other significant deficiencies, in the design or operation of CSCU's internal

control over financial reporting that are reasonably likely to adversely affect CSCU's ability to record, process, summarize and report external financial data reliably in accordance with generally accepted accounting principles. Management also is responsible for identifying and ensuring that CSCU complies with the laws and regulations applicable to its activities.

- O. Management also acknowledges and understands their responsibility for providing Grant Thornton, on a timely basis, with access to all information of which management is aware that is relevant to the preparation and fair presentation of the financial statements such as records, documentation and other matters; additional information that Contractor may request from management for the purpose of the audit; and unrestricted access to persons within the entity from whom Contractor determines it necessary to obtain audit evidence. As required by auditing standards generally accepted in the United States, Contractor will make specific inquiries of management and others about the representations embodied in the financial statements and the effectiveness of internal control over financial reporting. As part of Contractor's audit process, Contractor will request from management written confirmation concerning representations made to Grant Thornton in connection with the audit. The results of Contractor's audit tests, the responses to Contractor's inquiries and the written representations comprise the evidential matter Contractor intends to rely upon in forming Contractor's opinion on the financial statements.

IX. Audit Deliverables and Schedule

- A. Contractor shall bind the audit reports into separate documents for the CSU's, CCC's and COSC as follows for State Fiscal Years ending June 30, 2021, June 30, 2022, June 30, 2023, June 30, 2024, and June 30, 2025 and the Contractor shall provide up to 50 copies of each, as requested by the CFO and/or designee:
 - 1. Annual Financial Report for each such Fiscal Year ending June 30, and
 - 2. Required communications.
- B. CSCU and its institutions will be responsible for the distribution of all reports to the Board of Regents for Higher Education, Auditors of Public Accounts, State Comptroller, interested state and federal agencies, and the Federal Cognizant Agency.
- C. For the term of this contract, on an annual basis CSCU and its institutions and the Contractor shall mutually agree to an audit calendar including the estimated timeframes for college fieldwork, system level fieldwork, The Chief Financial Officer and CSCU management and Contractor review and publication of required reports necessary for compliance with CSCU reporting requirements to the State of Connecticut.
 - 1. The target completion date for audit field work will be early December following the fiscal year end being audited, with final audited figures available to the CSCU and its institutions at that time.
 - 2. The target completion date for CSCU and its institutions management's discussion and analysis, CSCU and its institutions and the Contractor's management review,

and final publication and distribution will be the end of December following the fiscal year end being audited.

3. All audit calendar dates are subject to change upon mutual agreement.
4. The contract end date occurs nine (9) months beyond the end of the last fiscal year being audited, to allow sufficient time for the audit of that year to be completed.
 - (a) If, for any reasons caused by CSCU or its institutions or relating to the affairs of CSCU, the Contractor believes it will be unable to complete the audit under this contract, it will immediately inform the CSCU's President and CFO and/or designee that the Contractor may decline to issue its reports for such reasons, and Contractor will provide specific information as to such reasons and the actions required by CSCU and its institutions management to rectify the situation. The Contractor shall undertake every reasonable effort to avoid such circumstance and, should it occur, the Contractor shall identify and take collaborative measures with CSCU and its institutions to complete the audit. If necessary under this Section with approval from CSCU, the Contractor shall perform additional services which require an additional fee as outlined in Sections V and XI.

X. Other Documents

- A. Auditing standards generally accepted in the United States of America require that the Contractor read any annual report that contains the Contractor's audit report. The purpose of this procedure is to consider whether other information in the annual report, including the manner of its presentation, is materially inconsistent with information appearing in the financial statements audited under this contract. The Contractor assumes no obligation to perform procedures to corroborate such other information as part of the audit under this contract.
- B. If the Board of Regents for Higher Education and CSCU wish to include the Contractor's report on any of the CSCU's financial statements audited by the Contractor, in a registration statement to be filed under the Securities Act of 1933 or in any other CSCU securities offering, the Board of Regents for Higher Education and CSCU agrees that any audit report resulting from this contract, or reference to the Contractor, will not be included in any such offering without Contractor's prior written permission or consent. Any agreement to perform any work in connection with an offering, including an agreement to provide such permission or consent, will require a SOW as defined in Section V.

XI. Cost and Schedule of Payments

- A. The amount payable to the Contractor for the financial statement audits performed pursuant to this Agreement for each institution and its System Office shall not exceed the applicable maximum forth below:

Services	2021	2022	2023	2024	2025
Financial statement audit for Connecticut State University System	\$222,000	\$222,000	\$247,500	\$247,500	\$247,500
Financial statement audit for Connecticut Community Colleges	\$163,000	\$163,000	\$182,500	\$182,500	\$182,500
Financial statement audit for Charter Oak State College	\$40,000	\$40,000	\$45,000	\$45,000	\$45,000
Debt compliance letter associated with CHEFA debt	Included	Included	Included	Included	Included
Required reporting on the results of the audits, including internal controls and other related matters	Included	Included	Included	Included	Included
Total	\$425,000	\$425,000	\$475,000	\$475,000	\$475,000

- B. In addition, the Contractor will bill for out of pocket expenses. Out of pocket expenses will include reasonable lodging, meals, mileage and parking. With respect to applicable expenses, reimbursement shall be made by CSCU based on the then- current General Services Administration (GSA) Meals and Incidental Expenses guidelines.
- C. For any additional accounting, auditing, and management advisory services as may be provided under this contract, the Contractor shall be paid at the rates set forth below:

<u>Staff Level</u>	<u>Audit</u>	<u>Tax</u>	<u>Advisory</u>
Partner/Principal	\$425.00-\$450.00	\$595.00-\$630.00	\$410.00-\$510.00
Managing Director	\$400.00-\$425.00	\$575.00-\$600.00	\$410.00-\$510.00
Senior Manager	\$325.00-\$350.00	\$500.00-\$540.00	\$265.00-\$435.00
Manager	\$280.00-\$300.00	\$440.00-\$470.00	\$160.00-\$355.00
Senior Associate	\$235.00-\$260.00	\$330.00-\$375.00	\$160.00-\$355.00
Associate	\$125.00-\$150.00	\$225.00-\$240.00	\$160.00-\$355.00
Blended rate	\$130.00		

D. Billing and Payment Schedule: The financial statement audit fixed fees and internal charges will be billed to CSCU as follows for each year:

	<u>CSCU</u>	<u>CCC</u>	<u>COSC</u>
May 1	\$50,000	\$40,000	\$40,000
June 1	\$90,000	\$60,000	
September 1	\$40,000	\$30,000	
November 1	\$30,000	\$20,000	
December 1	Balance of fees and expenses		

1. Out of pocket expenses will be billed at June 1, September 1, November 1 and again at issuance of the final report. A detailed schedule listing the itemized expenses will be provided to CSCU along with each invoice.
2. The maximum amount the Contractor shall be paid for additional accounting, auditing, management advisory services and out of pocket expenses shall be **\$1,000,000.00** as expressly approved in writing by CSCU.

3. Payment shall be made within forty-five (45) days of receipt and acceptance of a properly rendered invoice. Individual purchase orders may be issued by CSCU and/or by the institutions comprising CSCU during the term of this Agreement. CSCU reserves the right to cancel or amend any purchase order within five (5) days of issuance or five (5) days prior to delivery date. The parties agree that should the terms of any purchase order or invoice issued in connection with this Agreement conflict with the terms of this Agreement, the terms of this Agreement shall prevail.
4. CSCU shall assume no liability for payment for services under the terms of this Agreement until the Contractor is notified that this Agreement has been accepted by CSCU and approved by the Attorney General of the State of Connecticut.
5. CSCU shall pay the CONTRACTOR a total sum not to exceed \$ **3,275,000.00.**, including out of pocket expenses, during the full term of this agreement for the services to be performed. Notwithstanding the foregoing, circumstances may arise that require Contractor to do more work on a particular engagement. Such circumstances may include, but are not limited to, (1) changing auditing, accounting, and reporting requirements from professional and regulatory bodies; (2) incorrect accounting applications or errors in the CSCU's records; (3) restatements; (4) CSCU's failure to furnish accurate and complete information to Contractor on a timely basis; and (5) unforeseen events, including legal and regulatory changes. If such circumstance arise, the Contractor and CSCU may negotiate, in good faith, to reach an agreement on an equitable adjustment in price to reflect additional services. Said rates shall not exceed the fees set forth in Section XI.

XII. OTHER TERMS AND CONDITIONS

1. Claims against the State:

The Contractor agrees that the sole and exclusive means for the presentation of any claim against the State arising from this Agreement shall be in accordance with Chapter 53 of the Connecticut General Statutes (Claims Against the State) and the Contractor further agrees not to initiate legal proceedings in any state or federal court in addition to, or in lieu of, said Chapter 53 proceedings.

2. Indemnification and Insurance:

- (a) The Contractor shall indemnify, defend and hold harmless the State and its officers, representatives, agents, servants, employees, successors and assigns from and against any and all (1) third-party claims for bodily injury, death, physical damage to real or tangible personal property, or intellectual property infringement resulting from the acts of commission or omission of the Contractor or contractor parties in the performance of the Agreement; and (2) liabilities, damages, losses, costs and expenses, including but not limited to, reasonable attorneys' and other reasonable professionals' fees, arising, directly or indirectly, in connection with such third-party claims. The Contractor shall use counsel reasonably acceptable to the State in carrying out its obligations under this section.
- (b) The Contractor shall not be responsible for indemnifying or holding the State harmless from any liability arising due to the negligence of the State or any third party acting under the direct control or supervision of the State.
- (c) The Contractor shall reimburse the State for any and all damages to the real or tangible personal property of the State caused solely by the acts of the Contractor or any contractor

parties in the performance of the Agreement. The State shall give the Contractor reasonable written notice of any such claims.

- (d) The Contractor shall carry and maintain at all times during the term of the Contract, and during the time that any provisions survive the term of the Contract, (i) Commercial General Liability Insurance with limits of One Million Dollars (\$1,000,000) per occurrence and Two Million Dollars (\$2,000,000) in the aggregate; and (ii) Professional Liability Insurance with limits of Two Million Dollars (\$2,000,000) per claim and in the aggregate. The Contractor shall name the State as an additional insured on the Commercial General Liability Insurance policy and such policy shall provide for blanket additional insured coverage. Upon execution of the Contract, Contractor shall provide CSCU a certificate of insurance related to the Commercial General Liability Insurance and a verification of the Professional Liability Insurance. The Contractor shall not begin performance until the delivery of the aforementioned certificate and verification of insurance to CSCU.
- (e) This section shall survive the termination of the contract and shall not be limited by reason of any insurance coverage.

3. Sovereign Immunity:

The parties acknowledge and agree that nothing in this Contract shall be construed as a modification, compromise or waiver by the State of any rights or defenses of any immunities provided by Federal law or the laws of the State of Connecticut to the State or any of its officers and employees, which they may have had, now have or will have with respect to all matters arising out of this Contract. To the extent that this section conflicts with any other section, this section shall govern.

4. Forum and Choice of Law:

The parties deem the Contract to have been made in the City of Hartford, State of Connecticut. Both parties agree that it is fair and reasonable for the validity and construction of the contract to be, and it shall be, governed by the laws and court decisions of the State of Connecticut, without giving effect to its principles of conflicts of laws. To the extent that any immunities provided by Federal law or the laws of the State of Connecticut do not bar an action against the State, and to the extent that these courts are courts of competent jurisdiction, for the purpose of venue, the complaint shall be made returnable to the Judicial District of Hartford only or shall be brought in the United States District Court for the District of Connecticut only, and shall not be transferred to any other court, provided, however, that nothing here constitutes a waiver or compromise of the sovereign immunity of the State of Connecticut. The Contractor waives any objection which it may now have or will have to the laying of venue of any claims in any forum and further irrevocably submits to such jurisdiction in any suit, action or proceeding. WITH RESPECT TO ANY CLAIMS NOT SUBJECT TO CHAPTER 53 OF THE CONNECTICUT GENERAL STATUTES, THE PARTIES KNOWINGLY AND WILLINGLY EACH WAIVE THEIR RESPECTIVE RIGHTS TO A TRIAL BY JURY OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF OR RELATED TO THIS AGREEMENT OR THE SERVICES CONTEMPLATED HEREBY, IN ANY ACTION, PROCEEDING OR OTHER LITIGATION OF ANY TYPE BROUGHT BY ANY OF THE PARTIES AGAINST ANY OTHER PARTY OR PARTIES, WHETHER WITH RESPECT TO CONTRACT CLAIMS, TORT CLAIMS, OR OTHERWISE. EACH PARTY AGREES THAT ANY SUCH CLAIM OR CAUSE OF ACTION SHALL BE TRIED BY A COURT WITHOUT A JURY.

5. Termination:

- (a) Notwithstanding any provisions in this contract, CSCU, through a duly authorized employee, may terminate the contract whenever the CSCU makes a written determination that such termination is in the best interests of the State. CSCU shall notify the Contractor in writing of termination pursuant to this section at least thirty (30) days prior to termination, which notice shall specify the effective date of termination and the extent to which the Contractor must complete its performance under the contract prior to such date.
- (b) Notwithstanding any provisions in this contract, Contractor may elect to terminate this contract if: (a) for any reasons caused by CSCU or its officers or directors, or relating to the affairs of CSCU or its officers or directors, Contractor is unable to complete the audits contemplated herein or proceeding would cause Contractor reputational harm; (b) Contractor's continued work would violate (or Contractor reasonably believes would violate) the law, regulations, or professional standards; (c) Contractor's continued work would present a conflict of interest; or (d) CSCU ceases paying Contractor's fees without reasonable cause. Contractor shall provide CSCU with notice thirty (30) days prior to termination.
- (c) Notwithstanding any provisions in this contract, CSCU, through a duly authorized employee, may, after making a written determination that the Contractor has breached the contract, terminate the contract in accordance with the following breach provision.
 - i. Breach. If either party breaches the contract in any respect, the non-breaching party shall provide written notice of the breach to the breaching party and afford the breaching party an opportunity to cure within ten (10) days from the date that the breaching party receives the notice. In the case of a Contractor breach, any other time period which the CSCU sets forth in the notice shall trump the ten (10) days. The right to cure period shall be extended if the non-breaching party is satisfied that the breaching party is making a good faith effort to cure but the nature of the breach is such that it cannot be cured within the right to cure period. The notice may include an effective contract termination date if the breach is not cured by the stated date and, unless otherwise modified by the non-breaching party in writing prior to the termination date, no further action shall be required of any party to effect the termination as of the stated date. If the notice does not set forth an effective contract termination date, then the non-breaching party may terminate the contract by giving the breaching party no less than twenty four (24) hours' prior written notice. If CSCU believes that the Contractor has not performed according to the contract, CSCU may withhold payment in whole or in part pending resolution of the performance issue, provided that CSCU notifies the Contractor in writing prior to the date that the payment would have been due.
- (d) CSCU shall send the notice of termination via certified mail, return receipt requested, to the Contractor at the most current address which the Contractor has furnished to CSCU for purposes of correspondence, or by hand delivery. Upon receiving the notice from CSCU, the Contractor shall immediately discontinue all services affected in accordance with the notice, undertake all commercially reasonable efforts to mitigate any losses or damages, and commercially reasonable efforts to deliver to CSCU all original records, or delete all copies of records, provided to Contractor by CSCU, but only to the extent such records are not required to be retained by Contractor in accordance with professional standards, law, or regulation. The records (to the extent not incorporated into Contractor's workpapers) are deemed to be the property of CSCU and the Contractor shall deliver them to CSCU or delete them, as appropriate, no later than thirty (30) days after the termination of the contract or fifteen (15) days after the Contractor receives a written request from CSCU for

the records. The Contractor shall deliver those records that exist in electronic, magnetic or other intangible form in a non-proprietary format, such as, but not limited to, ASCII or .TXT.

- (e) Upon receipt of a written notice of termination from CSCU, the Contractor shall cease operations as CSCU directs in the notice, and take all actions that are necessary or appropriate, or that CSCU may reasonably direct, for the protection, and preservation of the goods and any other property. Except for any work which CSCU directs the Contractor to perform in the notice prior to the effective date of termination, and except as otherwise provided in the notice, the Contractor shall terminate or conclude all existing subcontracts and purchase orders and shall not enter into any further subcontracts, purchase orders or commitments.
- (f) CSCU shall, within forty-five (45) days of the effective date of termination, reimburse the Contractor for its performance rendered and accepted by CSCU in accordance with the terms of this contract, in addition to all actual and reasonable costs incurred after termination in completing those portions of the performance which the notice required the Contractor to complete. However, the Contractor is not entitled to receive and CSCU is not obligated to tender to the Contractor any payments for anticipated or lost profits. Upon request by CSCU, the Contractor shall remove from State premises, whether leased or owned, all of Contractor's property, equipment, waste material and rubbish related to its performance, as CSCU may request.
- (g) For breach or violation of any of the provisions in the section concerning representations and warranties, CSCU may terminate the contract in accordance with its terms and revoke any consents to assignments given as if the assignments had never been requested or consented to, without liability to the Contractor or Contractor parties or any third party.
- (h) Upon termination of the contract, all rights and obligations shall be null and void, so that no party shall have any further rights or obligations to any other party, except with respect to the sections which survive termination. All representations, warranties, agreements and rights of the parties under the contract shall survive such termination to the extent not otherwise limited in the contract and without each one of them having to be specifically mentioned in the contract.
- (i) Termination of the contract pursuant to this section shall not be deemed to be a breach of contract by CSCU or by Contractor.

6. Nondiscrimination:

- (a) For purposes of this Section, the following terms are defined as follows:
 - i. "Commission" means the Commission on Human Rights and Opportunities;
 - ii. "Contract" and "contract" include any extension or modification of the Contract or contract;
 - iii. "Contractor" and "contractor" include any successors or assigns of the Contractor or contractor;
 - iv. "Gender identity or expression" means a person's gender-related identity, appearance or behavior, whether or not that gender-related identity, appearance or behavior is different from that traditionally associated with the person's physiology or assigned sex at birth, which gender-related identity can be shown by providing evidence including, but not limited to, medical history, care or treatment of the gender-related

identity, consistent and uniform assertion of the gender-related identity or any other evidence that the gender-related identity is sincerely held, part of a person's core identity or not being asserted for an improper purpose;

- v. "good faith" means that degree of diligence which a reasonable person would exercise in the performance of legal duties and obligations;
- vi. "good faith efforts" shall include, but not be limited to, those reasonable initial efforts necessary to comply with statutory or regulatory requirements and additional or substituted efforts when it is determined that such initial efforts will not be sufficient to comply with such requirements;
- vii. "marital status" means being single, married as recognized by the State of Connecticut, widowed, separated or divorced;
- viii. "mental disability" means one or more mental disorders, as defined in the most recent edition of the American Psychiatric Association's "Diagnostic and Statistical Manual of Mental Disorders", or a record of or regarding a person as having one or more such disorders;
- ix. "minority business enterprise" means any small contractor or supplier of materials fifty-one percent or more of the capital stock, if any, or assets of which is owned by a person or persons: (1) who are active in the daily affairs of the enterprise, (2) who have the power to direct the management and policies of the enterprise, and (3) who are members of a minority, as such term is defined in subsection (a) of C.G.S. § 32- 9n; and
- x. "public works contract" means any agreement between any individual, firm or corporation and the State or any political subdivision of the State other than a municipality for construction, rehabilitation, conversion, extension, demolition or repair of a public building, highway or other changes or improvements in real property, or which is financed in whole or in part by the State, including, but not limited to, matching expenditures, grants, loans, insurance or guarantees.

For purposes of this Section, the terms "Contract" and "contract" do not include a contract where each contractor is (1) a political subdivision of the state, including, but not limited to, a municipality, unless the contract is a municipal public works contract or a quasi-public agency project contract (2) any other state, including but not limited to any federally recognized Indian tribal governments, as defined in C.G.S. § 1-267, (3) the federal government, (3) the federal government, (4) foreign government, or (5) an agency of a subdivision, , state or government described in the immediately preceding enumerated items (1), (2), (3) or (4)..

- (b) (1) The Contractor agrees and warrants that in the performance of the Contract such Contractor will not discriminate or permit discrimination against any person or group of persons on the grounds of race, color, religious creed, age, marital status, national origin, ancestry, sex, gender identity or expression, status as a veteran, intellectual disability, mental disability or physical disability, including, but not limited to, blindness, unless it is shown by such Contractor that such disability prevents performance of the work involved, in any manner prohibited by the laws of the United States or of the State of Connecticut; and the Contractor further agrees to take affirmative action to ensure that applicants with job-related qualifications are employed and that employees are treated when employed without regard to their race, color, religious creed, age, marital status, national origin, ancestry, sex, gender identity or expression, status as a veteran, intellectual disability, mental disability or physical disability, including, but not limited to, blindness, unless it is

shown by the Contractor that such disability prevents performance of the work involved; (2) the Contractor agrees, in all solicitations or advertisements for employees placed by or on behalf of the Contractor, to state that it is an “affirmative action-equal opportunity employer” in accordance with regulations adopted by the Commission; (3) the Contractor agrees to provide each labor union or representative of workers with which the Contractor has a collective bargaining Agreement or other contract or understanding and each vendor with which the Contractor has a contract or understanding, a notice to be provided by the Commission, advising the labor union or workers’ representative of the Contractor’s commitments under this section and to post copies of the notice in conspicuous places available to employees and applicants for employment; (4) the Contractor agrees to comply with each provision of this Section and C.G.S. §§ 46a-68e and 46a-68f and with each regulation or relevant order issued by said Commission pursuant to C.G.S. §§ 46a-56, 46a-68e, 46a-68f and 45a-86; and (5) the Contractor agrees to provide the Commission on Human Rights and Opportunities with such information requested by the Commission, and permit access to pertinent books, records and accounts, concerning the employment practices and procedures of the Contractor as relate to the provisions of this Section and C.G.S. § 46a-56. If the contract is a public works contract, municipal public works contract or contract for a quasi-public agency project, the Contractor agrees and warrants that he or she will make good faith efforts to employ minority business enterprises as subcontractors and suppliers of materials on such public works or quasi-public agency projects.

- (c) Determination of the Contractor's good faith efforts shall include, but shall not be limited to, the following factors: The Contractor's employment and subcontracting policies, patterns and practices; affirmative advertising, recruitment and training; technical assistance activities and such other reasonable activities or efforts as the Commission may prescribe that are designed to ensure the participation of minority business enterprises in public works projects.
- (d) The Contractor shall develop and maintain adequate documentation, in a manner prescribed by the Commission, of its good faith efforts.
- (e) The Contractor shall include the provisions of subsection (b) of this Section in every subcontract or purchase order entered into in order to fulfill any obligation of a contract with the State and in every subcontract entered into in order to fulfill any obligation of a municipal public works contract for a quasi-public agency project, and such provisions shall be binding on a subcontractor, vendor or manufacturer unless exempted by regulations or orders of the Commission. The Contractor shall take such action with respect to any such subcontract or purchase order as the Commission may direct as a means of enforcing such provisions including sanctions for noncompliance in accordance with C.G.S. § 46a-56 as amended; provided if such Contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the Commission regarding a State contract, the Contractor may request the State of Connecticut to enter into any such litigation or negotiation prior thereto to protect the interests of the State and the State may so enter.
- (f) The Contractor agrees to comply with the regulations referred to in this Section as they exist on the date of this Contract and as they may be adopted or amended from time to time during the term of this Contract and any amendments thereto.
- (g) (1) The Contractor agrees and warrants that in the performance of the Contract such Contractor will not discriminate or permit discrimination against any person or group of

- persons on the grounds of sexual orientation, in any manner prohibited by the laws of the United States or the State of Connecticut, and that employees are treated when employed without regard to their sexual orientation; (2) the Contractor agrees to provide each labor union or representative of workers with which such Contractor has a collective bargaining Agreement or other contract or understanding and each vendor with which such Contractor has a contract or understanding, a notice to be provided by the Commission on Human Rights and Opportunities advising the labor union or workers' representative of the Contractor's commitments under this section, and to post copies of the notice in conspicuous places available to employees and applicants for employment; (3) the Contractor agrees to comply with each provision of this section and with each regulation or relevant order issued by said Commission pursuant to C.G.S. § 46a-56; and (4) the Contractor agrees to provide the Commission on Human Rights and Opportunities with such information requested by the Commission, and permit access to pertinent books, records and accounts, concerning the employment practices and procedures of the Contractor which relate to the provisions of this Section and C.G.S. § 46a-56.
- (h) The Contractor shall include the provisions of the foregoing paragraph in every subcontract or purchase order entered into in order to fulfill any obligation of a contract with the State and such provisions shall be binding on a subcontractor, vendor or manufacturer unless exempted by regulations or orders of the Commission. The Contractor shall take such action with respect to any such subcontract or purchase order as the Commission may direct as a means of enforcing such provisions including sanctions for noncompliance in accordance with C.G.S. § 46a-56 as amended; provided, if such Contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the Commission regarding a State contract, the Contractor may request the State of Connecticut to enter into any such litigation or negotiation prior thereto to protect the interests of the State and the State may so enter.

7. Executive Orders:

This Contract is subject to the provisions of Executive Order No. Three of Governor Thomas J. Meskill, promulgated June 16, 1971, concerning labor employment practices, Executive Order No. Seventeen of Governor Thomas J. Meskill, promulgated February 15, 1973, concerning the listing of employment openings and Executive Order No. Sixteen of Governor John G. Rowland promulgated August 4, 1999, concerning violence in the workplace, all of which are incorporated into and are made a part of the Contract as if they had been fully set forth in it. The Contract may also be subject to Executive Order No. 14 of Governor M. Jodi Rell, promulgated April 17, 2006, concerning procurement of cleaning products and services and to Executive Order No. 49 of Governor Dannel P. Malloy, promulgated May 22, 2015, mandating disclosure of certain gifts to public employees and contributions to certain candidates for office. If Executive Order 14 and/or Executive Order 49 are applicable, they are deemed to be incorporated into and are made a part of the Contract as if they had been fully set forth in it. At the Contractor's request, CSCU shall provide a copy of these orders to the Contractor.

8. SEEC:

For all State contracts as defined in C.G.S. § 9-612 having a value in a calendar year of \$50,000 or more or a combination or series of such agreements or contracts having a value of \$100,000 or more, the authorized signatory to this Contract expressly acknowledges receipt of the State Elections Enforcement Commission's notice advising state contractors of state campaign contribution and solicitation prohibitions, and will inform its principals of the contents of the notice, as set forth in "Notice to Executive Branch State

Contractors and Prospective State Contractors of Campaign Contribution and Solicitation Limitations reprinted below.

CAMPAIGN CONTRIBUTION AND SOLICITATION LIMITATIONS

No *state contractor, prospective state contractor, principal of a state contractor or principal of a prospective state contractor*, with regard to a *state contract or state contract solicitation* with or from a state agency in the executive branch or a quasi-public agency or a holder, or principal of a holder of a valid prequalification certificate, shall make a contribution to (i) an exploratory committee or candidate committee established by a candidate for nomination or election to the office of Governor, Lieutenant Governor, Attorney General, State Comptroller, Secretary of the State or State Treasurer, (ii) a political committee authorized to make contributions or expenditures to or for the benefit of such candidates, or (iii) a party committee (which includes town committees).

In addition, no holder or principal of a holder of a valid prequalification certificate, shall make a contribution to (i) an exploratory committee or candidate committee established by a candidate for nomination or election to the office of State senator or State representative, (ii) a political committee authorized to make contributions or expenditures to or for the benefit of such candidates, or (iii) a party committee.

On and after January 1, 2011, no state contractor, prospective state contractor, principal of a state contractor or principal of a prospective state contractor, with regard to a state contract or state contract solicitation with or from a state agency in the executive branch or a quasi-public agency or a holder, or principal of a holder of a valid prequalification certificate, shall **knowingly solicit** contributions from the state contractor's or prospective state contractor's

employees or from a *subcontractor or principals of the subcontractor* on behalf of (i) an exploratory committee or candidate committee established by a candidate for nomination or election to the office of Governor, Lieutenant Governor, Attorney General, State Comptroller, Secretary of the State or State Treasurer, (ii) a political committee authorized to make contributions or expenditures to or for the benefit of such candidates, or (iii) a party committee.

DUTY TO INFORM

State contractors and prospective state contractors are required to inform their principals of the above prohibitions, as applicable, and the possible penalties and other consequences of any violation thereof.

PENALTIES FOR VIOLATIONS

Contributions or solicitations of contributions made in violation of the above prohibitions may result in the following civil and criminal penalties:

Civil penalties: Up to \$2,000 or twice the amount of the prohibited contribution, whichever is greater, against a principal or a contractor. Any state contractor or prospective state contractor which fails to make reasonable efforts to comply with the provisions requiring notice to its principals of these prohibitions and the possible consequences of their violations may also be subject to civil penalties of up to \$2,000 or twice the amount of the prohibited contributions made by their principals.

Criminal penalties: Any knowing and willful violation of the prohibition is a Class D felony, which may subject the violator to imprisonment of not more than 5 years, or not more than \$5,000 in fines, or both.

CONTRACT CONSEQUENCES

In the case of a state contractor, contributions made or solicited in violation of the above prohibitions may result in the contract being voided.

In the case of a prospective state contractor, contributions made or solicited in violation of the above prohibitions shall result in the contract described in the state contract solicitation not being awarded to the prospective state contractor, unless the State Elections Enforcement

Commission determines that mitigating circumstances exist concerning such violation.

The State shall not award any other state contract to anyone found in violation of the above prohibitions for a period of one year after the election for which such contribution is made or solicited, unless the State Elections Enforcement Commission determines that mitigating circumstances exist concerning such violation.

Additional information may be found on the website of the State Elections Enforcement Commission, www.ct.gov/seec. Click on the link to “Lobbyist/Contractor Limitations.”

DEFINITIONS

“State contractor” means a person, business entity or nonprofit organization that enters into a state contract. Such person, business entity or nonprofit organization shall be deemed to be a state contractor until December thirty-first of the year in which such contract terminates. “State contractor” does not include a municipality or any other political subdivision of the state, including any entities or associations duly created by the municipality or political subdivision exclusively amongst themselves to further any purpose authorized by statute or charter, or an employee in the executive or legislative branch of state government or a quasi-public agency, whether in the classified or unclassified service and full or part-time, and only in such person's capacity as a state or quasi-public agency employee.

“Prospective state contractor” means a person, business entity or nonprofit organization that (i) submits a response to a state contract solicitation by the state, a state agency or a quasi-public agency, or a proposal in response to a request for proposals by the state, a state agency or a quasi-public agency, until the contract has been entered into, or (ii) holds a valid prequalification certificate issued by the Commissioner of Administrative Services under section 4a-100. “Prospective state contractor” does not include a municipality or any other political subdivision of the state, including any entities or associations duly created by the municipality or political subdivision exclusively amongst themselves to further any purpose authorized by statute or charter, or an employee in the executive or legislative branch of state government or a quasi-public agency, whether in the classified or unclassified service and full or part-time, and only in such person's capacity as a state or quasi-public agency employee.

“Principal of a state contractor or prospective state contractor” means (i) any individual who is a member of the board of directors of, or has an ownership interest of five per cent or more in, a state contractor or prospective state contractor, which is a business entity, except for an individual who is a member of the board of directors of a nonprofit organization, (ii) an individual who is employed by a state contractor or prospective state contractor, which is a business entity, as president, treasurer or executive vice president, (iii) an individual who is the chief executive officer of a state contractor or prospective state contractor, which is not a business entity, or if a state contractor or prospective state contractor has no such officer, then the officer who duly possesses comparable powers and duties, (iv) an officer or an employee of any state contractor or prospective state contractor who has *managerial or discretionary responsibilities with respect to a state contract*, (v) the spouse or a *dependent child* who is eighteen years of age or older of an individual described in this subparagraph, or (vi) a political committee established or controlled by an individual described in this subparagraph or the business entity or nonprofit organization that is the state contractor or prospective state contractor.

“State contract” means an agreement or contract with the state or any state agency or any quasi-public agency, let through a procurement process or otherwise, having a value of fifty thousand dollars or more, or a combination or series of such agreements or contracts having a value of one hundred thousand dollars or more in a calendar year, for (i) the rendition of services, (ii) the furnishing of any goods, material, supplies, equipment or any items of any kind, (iii) the construction, alteration or repair of any public building or public work, (iv) the acquisition,

sale or lease of any land or building, (v) a licensing arrangement, or (vi) a grant, loan or loan guarantee. "State contract" does not include any agreement or contract with the state, any state agency or any quasi-public agency that is exclusively federally funded, an education loan, a loan to an individual for other than commercial purposes or any agreement or contract between the state or any state agency and the United States Department of the Navy or the United States Department of Defense.

"State contract solicitation" means a request by a state agency or quasi-public agency, in whatever form issued, including, but not limited to, an invitation to bid, request for proposals, request for information or request for quotes, inviting bids, quotes or other types of submittals, through a competitive procurement process or another process authorized by law waiving competitive procurement.

"Managerial or discretionary responsibilities with respect to a state contract" means having direct, extensive and substantive responsibilities with respect to the negotiation of the state contract and not peripheral, clerical or ministerial responsibilities.

"Dependent child" means a child residing in an individual's household who may legally be claimed as a dependent on the federal income tax of such individual.

"Solicit" means (A) requesting that a contribution be made, (B) participating in any fundraising activities for a candidate committee, exploratory committee, political committee or party committee, including, but not limited to, forwarding tickets to potential contributors, receiving contributions for transmission to any such committee, such committee, serving on the committee that is hosting a fundraising event, introducing the candidate or making other public remarks at a fundraising event, being honored or otherwise recognized a fundraising event or bundling contributions, (C) serving as chairperson, treasurer or deputy treasurer of any such committee, or (D) establishing a political committee for the sole purpose of soliciting or receiving contributions for any committee. Solicit does not include: (i) making a contribution that is otherwise permitted by Chapter 155 of the Connecticut General Statutes; (ii) informing any person of a position taken by a candidate for public office or a public official, (iii) notifying the person of any activities of, or contact information for, any candidate for public office; or (iv) serving as a member in any party committee or as an officer of such committee that is not otherwise prohibited in this section.

"Subcontractor" means any person, business entity or nonprofit organization that contracts to perform part or all of the obligations of a state contractor's state contract. Such person, business entity or nonprofit organization shall be deemed to be a subcontractor until December thirty first of the year in which the subcontract terminates. "Subcontractor" does not include (i) a municipality or any other political subdivision of the state, including any entities or associations duly created by the municipality or political subdivision exclusively amongst themselves to further any purpose authorized by statute or charter, or (ii) an employee in the executive or legislative branch of state government or a quasi-public agency, whether in the classified or unclassified service and full or part-time, and only in such person's capacity as a state or quasi-public agency employee.

"Principal of a subcontractor" means (i) any individual who is a member of the board of directors of, or has an ownership interest of five per cent or more in, a subcontractor, which is a business entity, except for an individual who is a member of the board of directors of a nonprofit organization, (ii) an individual who is employed by a subcontractor, which is a business entity, as president, treasurer or executive vice president, (iii) an individual who is the chief executive officer of a subcontractor, which is not a business entity, or if a subcontractor has no such officer, then the officer who duly possesses comparable powers and duties, (iv) an officer or an employee of any subcontractor who has managerial or discretionary responsibilities with respect to a subcontract with a state contractor, (v) the spouse or a dependent child who

is eighteen years of age or older of an individual described in this subparagraph, or (vi) a political committee established or controlled by an individual described in this subparagraph or the business entity or nonprofit organization that is the subcontractor.

9. Contracting with State Employees or Related Family/Business

Section 1-84 (i) of the Connecticut General Statutes prohibits CSCU to engage in contracts over \$100 with State employees and certain related family or businesses as defined by Sections 1-79 (b) and (f), unless awarded through an open and public process. Contractor has disclosed to State whether it is an employee, related family member or associated business as defined by the statute. The Contractor and State each represent that they have fully complied with all applicable requirements of this statute, which is set forth below (emphasis added), or as it may be amended from time to time:

C.G.S. § 1-84 (i) No public official or state employee or member of the official or employee's immediate family or a business with which he is associated shall enter into any contract with the state, valued at one hundred dollars or more, other than a contract of employment as a state employee, or a contract with a public institution of higher education to support a collaboration with such institution to develop and commercialize any invention or discovery, or pursuant to a court appointment, unless the contract has been awarded through an open and public process, including prior public offer and subsequent public disclosure of all proposals considered and the contract awarded. In no event shall an executive head of an agency, as defined in section 4-166, including a commissioner of a department, or an executive head of a quasi-public agency, as defined in section 1-79, or the executive head's immediate family or a business with which he is associated enter into any contract with that agency or quasi-public agency. Nothing in this subsection shall be construed as applying to any public official who is appointed as a member of the executive branch or as a member or director of a quasi-public agency and who receives no compensation other than per diem payments or reimbursement for actual or necessary expenses, or both, incurred in the performance of the public official's duties unless such public official has authority or control over the subject matter of the contract. Any contract made in violation of this subsection shall be voidable by a court of competent jurisdiction if the suit is commenced not later than one hundred eighty days after the making of the contract. C.G.S. § 1-79 (b) provides: "Business with which he is associated" means any sole proprietorship, partnership, firm, corporation, trust or other entity through which business for profit or not for profit is conducted in which the public official or state employee or member of his immediate family is a director, officer, owner, limited or general partner, beneficiary of a trust or holder of stock constituting five per cent or more of the total outstanding stock of any class, provided, a public official or state employee, or member of his immediate family, shall not be deemed to be associated with a not for profit entity solely by virtue of the fact that the public official or state employee or member of his immediate family is an unpaid director or officer of the not for profit entity. "Officer" refers only to the president, executive or senior vice president or treasurer of such business.

C.G.S. § 1-79 (f) provides: "Immediate family" means any spouse, children or dependent relatives who reside in the individual's household.

10. Quality Surveillance, Examination of Records and Inspection of Work:

Pursuant to C.G.S. §§ 4e-29 and 4e-30, all services performed by the Contractor and all records pertaining to fee and expense information related to this contract shall be subject to the inspection and approval of the State and the State Contracting Agency at reasonable times, but not more than once annually. Notwithstanding the foregoing or anything to the

contrary in the Contract, nothing in this section shall violate or cause Contractor to violate any of its professional standards, privacy, confidentiality or legal obligations and provided further, that Contractor's audit work papers and other proprietary materials are excluded from such audit or inspection.

11. Assignment:

This contract shall not be assigned by either party without the express prior written consent of the other.

12. Professional Standards:

In rendering services under this contract, the Contractor shall conform to applicable professional standards. The Contractor warrants that the services shall be performed: 1) in a professional efforts basis; and 2) in accordance with applicable professional standards.

13. Federal and State statutes and regulations:

In performing services pursuant to this contract, Contractor, its employees and representatives shall at all times comply with all applicable federal and state statutes and regulations, including, but not limited to, the Gramm-Leach –Bliley Act, the Family Educational Rights and Privacy Act and related State Contracting Agency Policies, in the protection of all personally identifiable and other protected confidential information and non-directory student data.

14. Entire Agreement:

This written contract and any applicable Engagement Letters, which Contractor and CSCU shall sign for each audit year, shall constitute the entire agreement between the parties and no other terms and conditions in any document, acceptance or acknowledgment shall be effective or binding unless expressly agreed to in writing by CSCU. This contract may not be changed other than by a formal written contract amendment signed by the parties hereto and approved by the Connecticut Attorney General. In the event that there is a conflict between an Engagement Letter and the terms of this Contract, the terms of this Contract shall control.

15. Family Educational Rights and Privacy Act:

In all respects, Contractor shall comply with the provisions of the Family Educational Rights and Privacy Act). For purposes of this contract, FERPA includes any amendments or other relevant provisions of federal law, as well as all requirements of Chapter 99 of Title 34 of the Code of Federal Regulations, as amended from time to time. Nothing in this agreement may be construed to allow Contractor to maintain, use, disclose or share student information in a manner not allowed by federal law or regulation or by this contract. Contractor agrees that it shall not provide any student information obtained under this contract to any party ineligible to receive data protected by FERPA. This section shall survive the termination, cancellation or expiration of the contract.

16. Confidential Information

- (a) The Contractor acknowledges that it may have access to Confidential Information (as hereinafter defined). The Contractor agrees that it will use the Confidential Information solely for the purpose of performing its duties and in compliance with professional standards and agrees that it will not divulge, furnish, publish or use for its own benefit or for the direct or indirect benefit of any other person or entity, whether or not for monetary gain, any Confidential Information, except in response to a court order, subpoena, administrative process or request from an accounting oversight body.

(b) For purposes of this Agreement, the term “Confidential Information” shall mean (i) all information related to the business operations, marketing plans, financial position and (ii) other business information and any other information disclosed to the Contractor. Confidential Information shall not include information which (i) is or becomes part of the public domain through no act or omission attributable to the Contractor, (ii) is released after prior written authorization or (iii) the Contractor receives from any third party who is unrelated to it and who is not under any obligation to maintain the confidentiality of such information.

17. Summary of State Ethics Laws:

Pursuant to the requirements of section 1-101qq of the Connecticut General Statutes, the summary of State ethic laws developed by the State Ethics Commission pursuant to section 1-81b of the Connecticut General Statutes is incorporated by reference into and made a part of the contract as if the summary had been fully set forth in the contract.

18. Disclosure of Records:

This Contract may be subject to the provisions of section 1-218 of the Connecticut General Statutes. In accordance with this statute, each contract in excess of two million five hundred thousand dollars between a public agency and a person for the performance of a governmental function shall (a) provide that the public agency is entitled to receive a copy of records and files related to the performance of the governmental function, and (b) indicate that such records and files are subject to the Freedom of Information Act (FOIA) and may be disclosed by the public agency pursuant to FOIA. No request to inspect or copy such records or files shall be valid unless the request is made to the public agency in accordance with FOIA. Any complaint by a person who is denied the right to inspect or copy such records or files shall be brought to the Freedom of Information Commission in accordance with the provisions of sections 1-205 and 1-206 of the Connecticut General Statutes. Nothing in the foregoing is intended to require or shall require Contractor to provide its work papers or other records to any third party, except to the extent expressly required by applicable law, regulation or court order.

19. Force Majeure:

Neither Party shall be liable to the other or be deemed to be in breach of this Contract for any failure or delay in rendering performance arising out of causes beyond its reasonable control and without its fault or negligence (“Force Majeure”). Such causes may include, but are not limited to, acts of nature or of a public enemy, fires, floods, war, embargo, pandemics, epidemics, public health events of international concern (“PHEIC”), supply chain delays from countries or regions effected by PHEIC, governmental actions or orders (e.g quarantine restrictions, travel restrictions, limitations on public gatherings, etc.), strikes, boycott, lockout, accident, explosion, riot, insurrection, terrorist act, Act of God, acts of governmental authority, or unusually severe weather.

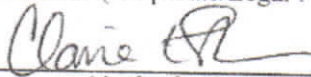
In the case of a Force Majeure event, either party may provide written notice to delay performance under this Section for 30 days. At its option, upon written notice, the University may terminate any Services that are delayed more than thirty (30) days by a Force Majeure event. In such a situation, CSCU shall be reimbursed for any Services paid for but not performed within 14 days of any such good-faith termination notice.

ACCEPTANCES AND APPROVALS

By the Contractor

Grant Thornton LLP

Contractor (Corporate/Legal Name of Contractor)


Signature (Authorized Official)

2/26/2021

Date

CLAIRE ESTEN, PARTNER

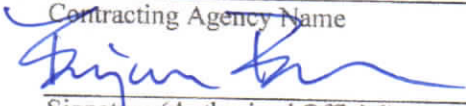
(Typed/Printed Name and Title of Authorized Official)

By the State Contracting Agency

Statutory Authority C.G.S. 4a-52a, 10a-151b

Connecticut State Colleges and Universities

Contracting Agency Name


Signature (Authorized Official)

3/2/2021
Date

BENJAMIN BARNES CFO

(Typed/Printed Name and Title of Authorized Official)

By the Office of the Attorney General (approved as to form)

Signature

Date

(Typed/Printed Name)
General

Assistant / Associate Attorney

Exhibit A

GRANT THORNTON LLP

75 State Street, 13th Floor
Boston, MA 02109

D +1 617 723 7900

F +1 617 723 3640

March 1, 2021

Mr. Benjamin Barnes
Chief Financial Officer
Connecticut State Colleges and Universities
61 Woodland Street
Hartford, CT 06105

Dear Mr. Barnes,

Thank you for discussing with us the requirements of our forthcoming engagement. This letter (the “Engagement Letter”) along with the agreement between Grant Thornton LLP and the Board of Regents for Higher Education on behalf of the Connecticut State University System, Connecticut Community Colleges and Charter Oak State College (the “Agreement”), as amended, documents our mutual understanding of the arrangements for the services described herein.

Scope of services

Grant Thornton LLP (“Grant Thornton”) will audit the financial statements of the business-type activities of the Connecticut State University System (“CSU”), the Connecticut Community Colleges (“CCC”) and Charter Oak State College (“COSC”) (collectively, the “Entity” or “CSCU”), as of and for the year ended June 30, 2021.

We will not audit the financial statements of the aggregate discretely presented component units of CSU, CCC, and COSC. Those statements will be audited by other auditors, whose report will be furnished to us, and our opinion, in so far as it relates to amounts included in the Entity’s consolidated financial statements for the aggregate discretely presented component units will be based solely on the report of the other auditors.

Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America (“US GAAS”) established by the American Institute of Certified Public Accountants (“AICPA”). As part of an audit in accordance with US GAAS, we will exercise professional judgment and maintain professional skepticism throughout the audit. We will also identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall financial statement presentation, including disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We will also conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the entity’s ability to continue as a going concern for a reasonable period of time.

In assessing the risks of material misstatement, an auditor obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. An audit is not designed to identify control deficiencies or for the purpose of expressing an opinion on the effectiveness of internal control; accordingly, we will not express such an opinion. However, we are responsible for communicating to the Board of Regents (hereinafter referred to as “those charged with governance”) significant deficiencies and material weaknesses in internal control that come to our attention during the course of our engagement. When conducting an audit, the auditor is required to obtain reasonable assurance about whether the financial statements are free from material misstatement, whether due to error or fraud, to enable the auditor to express an opinion on whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Although not absolute assurance, reasonable assurance is, nevertheless, a high level of assurance. However, an audit is not a guarantee of the accuracy of the financial statements. Even though the audit is properly planned and performed in accordance with professional standards, an unavoidable risk exists that some material misstatements or noncompliance with laws, regulations, contracts, and grant agreements may not be detected due to the inherent limitations of an audit, together with the inherent limitations of internal control. Also, an audit is not designed to detect errors or fraud that is immaterial to the financial statements. 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.

Upon the completion of the foregoing audit and subject to its findings, we will render our report and communicate our findings in accordance with US GAAS. It is possible that circumstances may arise in which our reports may differ from its expected form and content, resulting in a modified report or disclaimer of opinion. Further, if in our professional judgment the circumstances necessitate, we may resign from the engagement prior to completion.

The parties are entering into this Engagement Letter at a time when a state of national emergency has been declared and the nation is responding to the Coronavirus (COVID-19) pandemic. The parties agree that each will use all reasonable efforts to complete the engagement as specified herein, so long as each can reasonably do so while also protecting the health, welfare and safety of its professionals and the public, and abiding by emergency or regular executive orders, or changes in law mandated to address the pandemic. Neither party shall be liable for any delay or failure in performance (excluding payment for fees and expenses incurred) due to circumstances resulting from the pandemic which are beyond its reasonable control.

Our audit does not relieve management or those charged with governance of their responsibilities.

Required supplementary information

Accounting principles generally accepted in the United States of America require that the management’s discussion and analysis and certain information pertaining to pension and postretirement plans be presented to supplement the basic financial

statements. Such information, although not a required part of the basic financial statements, is required by the Governmental Accounting Standards Board (“GASB”) who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. This required supplementary information is the responsibility of management. We will apply certain limited procedures to the required supplementary information in accordance with US GAAS. These limited procedures consist of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtain during our audit of the basic financial statements. We will not express an opinion nor provide any assurance on the information because the limited procedures will not provide us with sufficient evidence to express an opinion or provide any assurance.

Responsibilities of those charged with governance

Effective two-way communication with the Audit Committee (referred to as “those charged with governance”) assists us in obtaining information relevant to the audit and also assists those charged with governance in fulfilling their responsibility to oversee the financial reporting process. Those charged with governance play an important role in the Entity’s internal control over financial reporting by setting a positive tone at the top and challenging the Entity’s activities in the financial arena. Accordingly, it is important for those charged with governance to communicate to us matters they believe are relevant to our engagement. As indicated below, management also has a responsibility to communicate certain matters to those charged with governance and to Grant Thornton.

In connection with our engagement, professional standards require us to communicate certain matters that come to our attention to those charged with governance, such as the following:

- fraud involving senior management and fraud that causes a material misstatement
- illegal acts, unless clearly inconsequential
- significant deficiencies and material weaknesses in internal control over financial reporting
- disagreements with management and other serious difficulties encountered
- qualitative aspects of significant accounting practices, including accounting policies, estimates, and disclosures
- audit adjustments and uncorrected misstatements, including missing disclosures.

Management responsibilities

As you are aware, the financial statements are the responsibility of management. Management is responsible for preparing and fairly presenting the financial statements in accordance with accounting principles generally accepted in the United States of America, which includes adopting sound accounting practices and

complying with changes in accounting principles and related guidance. Management is also responsible for:

- providing us with access to all information of which they are aware that is relevant to the preparation and fair presentation of the financial statements, including disclosures, whether obtained from within or outside of the general and subsidiary ledgers; this includes all financial records, documentation of internal control over financial reporting and related information, and any additional information that we may request for audit purposes
- providing us with unrestricted access to persons within the Entity from whom we determine it necessary to obtain audit evidence
- ensuring that the Entity identifies and complies with all laws, regulations, contracts, and grant agreements applicable to its activities and for informing us of any known violations.
- designing, implementing, and maintaining internal control to enable the preparation and fair presentation of financial statements that are free of material misstatement, whether due to error or fraud, and for informing us of all known significant deficiencies and material weaknesses in, and significant changes in, such internal control
- informing us of their views about the risk of fraud within the Entity and their awareness of any known or suspected fraud and the related corrective action proposed
- adjusting the financial statements, including disclosures, to correct material misstatements and for affirming to us in a representation letter that the effects of any uncorrected misstatements, including missing disclosures, aggregated by us during the current engagement, including those pertaining to the latest period presented, are immaterial, both individually and in the aggregate, to the financial statements as a whole
- establishing and maintaining a process to address and track the status of our findings, conclusions, and recommendations, including providing management's views on such matters as well as planned corrective actions to be included in the report, in a timely manner. This includes informing us of findings and recommendations from previous audits, attestation engagements, or other studies that could have a material effect on the financial statements and whether any related recommendations were implemented.
- informing us of any events occurring subsequent to the date of the financial statements through the date of our auditor's report that may affect the financial statements or the related disclosures
- informing us of any subsequent discovery of facts that may have existed at the date of our auditor's report that may have affected the financial statements or the related disclosures

- distributing the report(s), including the financial statements, any supplementary information, and the report(s) thereon, to those officials and organizations requiring them.

To assist those charged with governance in fulfilling their responsibility to oversee the financial reporting process, management should discuss with those charged with governance the:

- adequacy of internal control and the identification of any significant deficiencies or material weaknesses, including the related corrective action proposed
- significant accounting policies, alternative treatments, and the reasons for the initial selection of, or change in, significant accounting policies
- process used by management in formulating particularly sensitive accounting judgments and estimates and whether the possibility exists that future events affecting these estimates may differ markedly from current judgments
- basis used by management in determining that uncorrected misstatements, including missing disclosures, are immaterial, both individually and in the aggregate, including whether any of these uncorrected misstatements could potentially cause future financial statements to be materially misstated.

We will require management's cooperation to complete our services. In addition, we will obtain, in accordance with professional standards, certain written representations from management, which we will rely upon.

Use of our reports

The inclusion, publication, or reproduction by the Entity of any of our reports in documents other than annual reports, such as bond offerings and regulatory filings containing information in addition to financial statements may require us to perform additional procedures to fulfill our professional or legal responsibilities. Accordingly, our reports should not be used for any such purposes without our prior permission. In addition, to avoid unnecessary delay or misunderstanding, it is important that the Entity give us timely notice of its intention to issue any such document.

Other services

Supplementary information

Management is responsible for separately preparing the combining schedules (the "applicable criteria"). Such supplementary information, which will be presented for purposes of additional analysis and is not a required part of the financial statements, will be subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures. These procedures will include comparing and reconciling the supplementary information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with US GAAS. The purpose of our procedures will be to form and express an opinion as

to whether the supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole.

In connection with our procedures, management is responsible for informing us about:

- the methods of measurement and presentation of the supplementary information
- whether those methods have changed from the methods used in the prior period and the reasons for the change, if any
- any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Management will present the supplementary information with the audited financial statements. Management is responsible for including our report on the supplementary information in any document that contains the supplementary information and that indicates we reported on it.

We will require management to provide us with certain written representations related to their responsibilities described above, including whether management believes the supplementary information (including its form and content) is fairly presented in accordance with the applicable criteria.

Other reports

We will issue a report on compliance with debt covenants for the Connecticut State University System in accordance with CHEFA.

Other services

Any other services that you request will constitute a separate engagement that will be subject to our acceptance procedures. Professional standards, laws, and regulations may prescribe limitations on non-audit services we may perform without impairing our independence.

Fees

Standard billings

The Cost and Schedule of Payments are found in Section XI of the Agreement, as amended.

If it appears that the estimated fee will be exceeded, we will bring this to your attention.

From time to time, Grant Thornton may receive certain incentives in the form of bonuses and rewards from its corporate card and other vendors. Such incentives to the extent received will be retained by Grant Thornton to cover firm expenses.

Additional billings

Of course, circumstances may arise that will require us to do more work. Some of the more common circumstances include changing auditing, accounting, and reporting requirements from professional and regulatory bodies; incorrect accounting

applications or errors in Entity records; restatements; failure to furnish accurate and complete information to us on a timely basis; and unforeseen events, including legal and regulatory changes. We are enclosing an explanation of various matters that can cause us to perform work in excess of that contemplated by our fee estimate. Should any circumstances arise that will require performance of additional work, the parties shall mutually agree, in accordance with Sections V and XI of the Agreement as amended, to the commencement of work and additional billings.

At Grant Thornton, we pride ourselves on our ability to provide outstanding service and meet our clients' deadlines. To help accomplish this goal, we work hard to have the right professionals available. This involves complex scheduling models to balance the needs of our clients and the utilization of our people, particularly during peak periods of the year. Last minute client requested scheduling changes result in costly downtime due to our inability to make alternate arrangements for our professional staff.

We will coordinate a convenient time for Grant Thornton to begin work. If, after scheduling our work, you do not provide proper notice, which we consider to be one week, of your inability to meet the agreed-upon date(s) for any reason, or do not provide us with sufficient information required to complete the work in a timely manner, additional billings will be rendered for any downtime of our professional staff.

Adoption of new fiduciary activities and leasing standards

GASB 84, *Fiduciary Activities*, is effective for annual reporting periods beginning after December 15, 2019. GASB 87, *Leases*, is effective for fiscal years beginning after June 15, 2021, and all reporting periods thereafter.

We will communicate with management and those charged with governance periodically to understand the Entity's GASB 84 and GASB 87 adoption and implementation plan and the progress in executing that implementation plan. As the Entity executes on its implementation plan and identifies necessary changes to systems, processes, and policies, we will request meetings and review documentation related to those expected changes.

Any work we perform related to your GASB 84 or GASB 87 implementation is not included in the scope of work for the audit services outlined in this Engagement Letter. We will discuss with you the fees for the GASB 84 or GASB 87 implementation work. Those fees will be at higher rates than those utilized in the standard audit rates discussed above.

Adoption of other new accounting standards

Professional and regulatory bodies frequently issue new accounting standards and guidance. Sometimes, standards are issued and become effective in the same period, providing a limited implementation phase and preventing us from including the impact in our estimated fees. In such circumstances, we will discuss with you the additional audit procedures and related fees, including matters such as the retrospective application of accounting changes and changes in classification.

Other costs

Except with respect to a dispute or litigation between Grant Thornton and the Entity, our costs and time spent in legal and regulatory matters or proceedings arising from our engagement, such as subpoenas, testimony, or consultation involving private litigation, arbitration, industry, or government regulatory inquiries, whether made at the Entity's request or by subpoena, will be billed to the Entity separately.

Professional standards impose additional responsibilities regarding the reporting of illegal acts that have or may have occurred. To fulfill our responsibilities, we may need to consult with Entity counsel or counsel of our choosing about any illegal acts that we become aware of. Additional fees, including legal fees, will be billed to the Entity. The Entity agrees to ensure full cooperation with any procedures that we may deem necessary to perform.

Other matters

Relationship to Grant Thornton International Ltd

Grant Thornton is the U.S. member firm of Grant Thornton International Ltd ("GTIL"), an organization of independently owned and managed accounting and consulting firms. References to GTIL are to Grant Thornton International Ltd. GTIL and the member firms are not a worldwide partnership. Services are delivered independently by the member firms. These firms are not members of one international partnership or otherwise legal partners with each other internationally, nor is any one firm responsible for the services or activities of any other firm.

Use of third-party service providers and affiliates

Grant Thornton may use third-party service providers, such as independent contractors, specialists, or vendors, to assist in providing our professional services. We may also use GTIL member firms, other affiliates (including the GT US Shared Services Center India Private Limited and the Grant Thornton US Knowledge and Capability Center India Private Limited, affiliates of Grant Thornton located in Bangalore, India), or other accounting firms. Such entities may be located within or outside the United States.

Grant Thornton intends to use the professional services, technology, and resources of the following entity to assist us in the performance of the engagement:

- Capital Confirmation, Inc. – electronic confirmation services

Additionally, Grant Thornton may use third-party service providers to provide administrative or operational support to Grant Thornton, or to provide engagement team resource services. Such entities may be located within or outside the United States. All of these third party service providers are subject to confidentiality obligations to protect the confidentiality of client data.

You hereby consent and authorize us to disclose Entity information to the GT US Shared Services Center India Private Limited and/or the Grant Thornton US Knowledge and Capability Center India Private Limited and the other above named entity for purposes of providing services to you as part of our professional relationship.

Data analytics and automated data gathering

Grant Thornton is committed to improving audit quality through the use of data analytics, which uses Entity data collected to perform our services and includes analysis of anonymized data across clients. Grant Thornton also uses automated data gathering tools to efficiently extract large data sets needed to perform our services. These automated data gathering tools are designed to be executed by the Entity's information technology professionals within the Entity's information systems environment.

Hiring of personnel

The Entity acknowledges that hiring current or former Grant Thornton (or GTIL member firm) personnel participating in the engagement may be perceived as compromising our objectivity, and depending on the applicable professional standards, impairing our independence in certain circumstances. Accordingly, prior to entering into any employment discussions with such known individuals, you agree to discuss the potential employment, including any applicable independence ramifications, with the engagement partner responsible for the services.

Privacy

Grant Thornton is committed to protecting personal information and will maintain such information in confidence in accordance with professional standards and governing laws. The Entity will not provide any personal information to Grant Thornton unless necessary to perform the services described herein. When providing any personal information to us, the Entity will comply with all applicable laws (both foreign and domestic) and will anonymize, mask, obfuscate, and/or de-identify, if reasonably possible, all personal information that is not necessary to perform the services described herein. Any personal information provided to us by the Entity will be kept confidential and not disclosed to any third party unless expressly permitted by the Entity or required by law, regulation, legal process, or professional standards. The Entity is responsible for obtaining, pursuant to law or regulation, consents from parties that provided the Entity with their personal information, which will be obtained, used, and disclosed by Grant Thornton for its required purposes.

Documentation

The documentation for this engagement is the property of Grant Thornton and constitutes confidential information. We have a responsibility to retain the documentation for a period of time sufficient to satisfy any applicable legal or regulatory requirements for records retention.

Pursuant to law or regulation, we may be requested to make certain documentation available to regulators, governmental agencies, or their representatives ("Regulators"). If requested, access to the documentation will be provided to the Regulators under our supervision. We may also provide copies of selected documentation, which the Regulators may distribute to other governmental agencies or third parties. You hereby acknowledge we will allow and authorize us to allow the Regulators access to, and copies of, the documentation in this manner.

Access to documentation by other auditors

When an entity is part of a group of entities and more than one auditor is involved in performing an audit, a professional responsibility exists under relevant ethical requirements for the auditors to cooperate with each other. In connection with such cooperation, we may have discussions with the other auditors or provide access to our workpapers. In the course of this cooperation, we will comply with relevant ethical and professional standards, including with respect to protecting the confidentiality of client information. The other auditors are also subject to obligations to protect the confidentiality of client information. With this understanding, the Entity hereby authorizes us to allow access to our workpapers and to respond fully to the other auditors' reasonable inquiries in accordance with relevant ethical and professional standards. The Entity is aware that our workpapers may contain information privileged under Internal Revenue Code §7525 and that the Entity's consent to provide access to other auditors may operate as a waiver of that privilege.

Electronic communications

During the course of our engagement, we may need to electronically transmit confidential information to each other and to third-party service providers or other entities engaged by either Grant Thornton or the Entity. Electronic methods include telephones, cell phones, e-mail, secure file transfers, use of collaboration sites, and fax. These technologies provide a fast and convenient way to communicate. However, all forms of electronic communication have inherent security weaknesses, and the risk of compromised confidentiality cannot be eliminated. The Entity agrees to the use of electronic methods to transmit and receive information, including confidential information.

Standards of performance

We will perform our services in conformity with the terms expressly set forth in this Engagement letter, including all applicable professional standards. Accordingly, our services shall be evaluated solely on our substantial conformance with such terms and standards. Any claim of nonconformance must be clearly and convincingly shown.

With respect to the services and this Engagement Letter, in no event shall the liability of Grant Thornton and its present, future, and former partners, principals, directors, employees, agents, and contractors for any claim, including but not limited to Grant Thornton's own negligence, exceed the fees it receives for the portion of the work giving rise to such liability. This limitation shall not apply to the extent that it is finally determined that any claims, losses, or damages are the result of Grant Thornton's gross negligence or willful misconduct. In addition, Grant Thornton shall not be liable for any special, consequential, incidental, or exemplary damages or loss (nor any lost profits, interest, taxes, penalties, loss of savings, or lost business opportunity) even if Grant Thornton was advised in advance of such potential damages. This paragraph and the paragraph directly below shall apply to any type of claim asserted, including contract, statute, tort, or strict liability, whether by the Entity, Grant Thornton, or others.

Further, the Entity shall, upon receipt of written notice, indemnify and hold harmless Grant Thornton and its present, future, and former partners, principals, directors, employees, agents, and contractors from and against any liability and damages

(including punitive damages), fees, expenses, losses, demands, and costs (including defense costs) associated with any claim arising from or relating to the Entity's knowing misrepresentations or false or incomplete information provided to Grant Thornton. In the event of any controversy or claim against Grant Thornton arising from or related to the services described herein, Grant Thornton shall be entitled to defend itself from such controversy or claim and to participate in any settlement, administrative, or judicial proceedings.

It is expressly agreed by the Entity and Grant Thornton that any claim by, or on behalf of either party, arising out of services or this Engagement Letter, whether it be in contract, tort, or otherwise, shall be deemed waived if a claim is filed more than two (2) years from: (i) the date of the report(s) issued by Grant Thornton; or (ii) the date of this Engagement Letter if no report has been issued.

If because of a change in the Entity's status or due to any other reason, any provision in this Engagement letter would be prohibited by laws, regulations, or published interpretations by governmental bodies, commissions, state boards of accountancy, or other regulatory agencies, such provision shall, to that extent, be of no further force and effect, and the Engagement Letter shall consist of the remaining portions.

Dispute resolution

Any controversy or claim arising out of or relating to the services, related fees, or this Engagement Letter shall first be submitted to mediation. A mediator will be selected by agreement of the parties, or if the parties cannot agree, a mediator acceptable to all parties will be appointed by the American Arbitration Association ("AAA"). The mediation will proceed in accordance with the customary practice of mediation. In the unlikely event that any dispute or claim cannot be resolved by mediation, we both recognize that the matter will probably involve complex business or accounting issues that would be decided most equitably to us both by a judge hearing the evidence without a jury. Accordingly, to the extent now or hereafter permitted by applicable law, the Entity and Grant Thornton agree to waive any right to a trial by jury in any action, proceeding, or counterclaim arising out of or relating to our services or this Engagement Letter.

Authorization

This Engagement Letter sets forth the entire understanding between the Entity and Grant Thornton regarding the services described herein and supersedes any previous proposals, correspondence, and understandings, whether written or oral. If any portion of this Engagement Letter is held invalid, it is agreed that such invalidity shall not affect any of the remaining portions.

Please confirm your acceptance of this Engagement Letter by signing below and returning one copy to us.

Sincerely,

GRANT THORNTON LLP



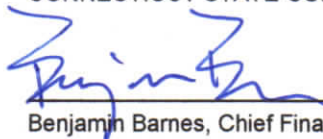
Claire Esten
Partner

cc: Eleese Wright, Audit Committee Chair

Enc: Matters that can cause work in excess of fee estimate

Agreed and accepted by:

CONNECTICUT STATE COLLEGES AND UNIVERSITIES



Benjamin Barnes, Chief Financial Officer

3/3/2021

Date

Exhibit A

Matters that can cause work in excess of fee estimate

We want you to receive the maximum value for our professional services and to perceive that our fees are reasonable and fair. However, in seeking to provide you with such value, we find there are various matters that can cause us to perform work in excess of that contemplated by our fee estimate. The following explains the matters that arise most frequently.

Changing requirements

Today, there are numerous governmental or rule-making bodies that regularly add or change various requirements. Although we attempt to plan our work to anticipate the requirements that will affect our engagement, three types of situations make this difficult. Sometimes, these new requirements are not communicated in time for us to anticipate their effects in our preliminary planning. Secondly, in spite of our anticipation and planning, the work necessary to comply with new requirements may be underestimated. Finally, in some instances, you may decide that it is advantageous to you to have the new requirements applied immediately.

Incorrect accounting applications or errors in your records

We generally form our fee estimates on the expectation that your accounting records are in good order so that our work can be completed based upon our normal testing and other procedures. However, should we find numerous errors, incomplete records, or disorganized bookkeeping methods, we will have to do additional work to determine that the necessary corrections have been made and properly reflected in the financial statements.

Lack of audit facilitation or timely preparation

To minimize your costs, we plan the means by which your personnel can facilitate the audit (for example, what schedules they will prepare, how to prepare them, the supporting documents that need to be provided, and so forth). We also discuss matters such as availability of your key personnel, deadlines, and working conditions. Indeed, the information concerning these matters that you furnish to us is a key element in our fee quotation. Therefore, if your personnel are unable, for whatever reasons, to provide these materials on a timely basis, it may substantially increase the work we must do to complete the engagement within the established deadlines. Moreover, in some circumstances, this may require a staff withdrawal, as discussed below.

Staff withdrawal

A staff withdrawal consists of our removing one or all staff because the condition of your records, or the inability of your personnel to provide agreed upon materials within the established timetable, makes it impossible for us to perform our work in a timely, efficient manner, as established by our engagement plan. Sometimes, a complete staff withdrawal is necessary to permit an orderly audit approach. A staff withdrawal is not necessarily an adverse reflection on your personnel. However, it involves additional costs, as we must reschedule our personnel, incur additional start-up costs, and so forth, to prevent total engagement costs from increasing significantly.

Unforeseen events

Even though we communicate frequently with clients and plan our engagement with management and their staff, unforeseen events can occur. Examples include

accounting problems, litigation, changes in your business or business environment, contractual or other difficulties with suppliers, third-party service providers, or customers, and so forth. When those circumstances occur, additional time is needed to provide you with assistance and to complete our engagement in accordance with professional standards.

Again, we emphasize that we strive to give you optimum value for our professional services. Fee quotations are provided based upon the facts and circumstances that you describe to us. However, unlike the sale of products, the performance of professional services is affected by many variables, such as the foregoing, which may cause fee estimates to change.