

STATE OF CONNECTICUT



*AUDITORS' REPORT
CENTRAL CONNECTICUT STATE UNIVERSITY
NATIONAL COLLEGIATE ATHLETIC ASSOCIATION
FOR THE FISCAL YEAR ENDED
JUNE 30, 2013*

AUDITORS OF PUBLIC ACCOUNTS
JOHN C. GERAGOSIAN ❖ ROBERT M. WARD

STATE OF CONNECTICUT



AUDITORS OF PUBLIC ACCOUNTS

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Hartford, Connecticut 06106-1559

JOHN C. GERAGOSIAN

ROBERT M. WARD

February 11, 2015

**INDEPENDENT AUDITORS' REPORT ON
THE APPLICATION OF AGREED-UPON PROCEDURES**

Dr. John W. Miller, President
Central Connecticut State University

We have performed the procedures enumerated below, which were agreed to by you, solely to assist you in evaluating whether the accompanying Statement of Revenues and Expenses of Central Connecticut State University (CCSU) is in compliance with the National Collegiate Athletic Association (NCAA) Bylaw 3.2.4.16 for the fiscal year ended June 30, 2013. CCSU's management is responsible for the Statement of Revenues and Expenses, and the statement's compliance with those requirements. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below, either for the purpose for which this report has been requested or for any other purpose.

Agreed-Upon Procedures Related to the Statement of Revenue and Expenses

The procedures that we performed and our findings are as follows:

- a. We obtained the Statement of Revenues and Expenses, and the university's capital expenditure documentation detailing capitalized assets, additions, and improvements to facilities for the fiscal year ended June 30, 2013. We recalculated the addition of the amounts on the statement, vouched the amounts on the statement to management's worksheets, and vouched the amounts on management's worksheets to the university's general ledger on a test basis. We noted no material differences between the amounts in the general ledger and the amounts on the worksheets supporting the statement. We did, however, note some immaterial differences for which we made adjustments. We discussed the nature

of our adjustments with management, and are satisfied that the adjustments are appropriate.

- b. We compared each major revenue and expense account to the previous year's amounts and obtained an understanding of any significant fluctuations. The differences between years appeared to be reasonable.
- c. We reviewed gift revenues. We vouched all such gifts to the university's accounting records for the 2012-2013 fiscal year and noted no exceptions.
- d. We reviewed organization charts prepared by management. We reviewed the extent of documentation of accounting systems and procedures. We made certain inquiries of management regarding control consciousness, competence of personnel, and protection of records and equipment.

We made inquiries of management and non-management personnel to identify the potential for, or occurrence of, fraud or ethics violations.

Through our inquiries, we determined that the systems and procedures for accounting control and management's control consciousness are appropriate.

- e. We selected a sample of 20 cash receipts, totaling \$885,884, credited to accounts of the Intercollegiate Athletics Program. The test items included receipts from game guarantees, NCAA conference distributions, outside gifts, program income, ticket sales, and miscellaneous revenues. We reviewed internal documentation for these receipts and also vouched the receipts to cashier remittance slips and bank deposit records. Our testing of receipts disclosed that each item in our sample was adequately supported and deposited.
- f. We selected a sample of ten payroll expenditures, totaling \$31,780, and vouched these items to supporting documentation. All payroll expenditures in our sample were computed accurately and were properly authorized.
- g. We selected a sample of 15 expenditures, totaling \$279,477, and vouched these transactions to supporting documentation to determine whether they were properly authorized and recorded accurately. All payments tested were properly authorized and recorded accurately.
- h. We selected a separate sample of ten travel-related expenditures, totaling \$44,816, and vouched these transactions to supporting documentation to determine that they were properly authorized and supported.

During our review of the Athletics Department's travel procedures, we noted that the travel policies for athletic team travel state that "rooms for team members and employees traveling as part of the team party are to be provided at the lowest

possible cost.” Our test of travel expenditures included lodging costs. In four instances involving out-of-state travel, there was no evidence that the Athletics Department obtained the lodging at the lowest possible cost.

Additionally, in five instances of out-of-state team travel, the Director of Athletics did not approve the team travel list prior to travel. However, in these instances the Senior Associate Director of Athletics did approve the team travel party prior to travel.

- i. We reviewed expenditures made using Athletics Department purchasing cards (p-card). We selected two of the billing cycles and judgmentally selected nine cardholders’ statements for review in one month and five cardholders’ statements for review in another month. The total of the expenditures in this sample was \$38,398. We tested for adherence to sound internal control procedures, compliance with state purchasing policies, and CCSU purchasing card policies and procedures. We noted two purchases for items prohibited by these policies. In one instance, a refrigerator costing \$350 was purchased with a p-card. In the other instance, two iPads costing a total of \$896 were purchased with the p-card. These iPads were appropriately tagged in compliance with university policy.
- j. We reviewed grants-in-aid to student athletes by vouching totals on the Athletics Department’s grants-in-aid reconciliation to the appropriate supporting documentation to determine whether these reports were valid and complete. We selected a sample of ten students and tested the validity of their reported aid, book awards, and adjustments. We verified that a signed award letter supporting the award of the athletic grant was on file. No exceptions were noted as a result of applying these procedures.
- k. We reviewed the CCSU Foundation, Inc.’s audited financial statements and report to management regarding matters related to internal control. There were no recommendations related to the Intercollegiate Athletics Program in that report. We also obtained the foundation’s statement of revenues and expenses for the fiscal year ended June 30, 2013, related to the CCSU Intercollegiate Athletics Program. Amounts reported in that statement were vouched to the foundation’s accounting records, and no exceptions were noted.

We selected a sample of three receipts, totaling \$84,984, and three disbursements, totaling \$94,852, and vouched these transactions to foundation accounting records. We reviewed supporting documentation for validity and found that receipt and disbursement transactions were executed according to foundation policy.

We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on the compliance of the accompanying Statement of Revenues and Expenses of the Intercollegiate Athletics Program of Central

Connecticut State University, or on compliance with the bylaws and constitution of the National Collegiate Athletic Association and other laws and regulations applicable to the university's Intercollegiate Athletics Program. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the president of the university, his designees, the Board of Regents, and authorized representatives of the NCAA, and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

We wish to express our appreciation for the courtesies and cooperation extended to our representatives by the personnel of Central Connecticut State University during the course of our examination.



John C. Geragosian
Auditor of Public Accounts



Robert M. Ward
Auditor of Public Accounts

February 11, 2015
State Capitol
Hartford, Connecticut

**Central Connecticut State University
Intercollegiate Athletics Program
Statement of Revenues and Expenses
For the Fiscal Year Ended June 30, 2013**

Revenues:	Football	Men's Basketball	Women's Basketball	All Other Men's Sports	All Other Women's Sports	Non-program Specific	2013 Total	2012 Total
NCAA Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 320,397	\$ 320,397	\$ 272,917
Outside Gifts (See note 3)	373,116	20,712	51,485	103,253	81,764	735,139	1,365,469	629,156
Game Guarantees	110,000	180,000	-	30,500	-	-	320,500	356,000
Ticket Sales	19,736	34,630	-	10,584	-	-	64,950	60,291
Fund Raising	-	-	-	-	-	-	-	2,834
Facility Rental	-	-	-	-	-	57,373	57,373	63,625
Camps and Clinics	-	-	-	1,204	9,635	-	10,839	9,854
Patents and Royalties	-	-	-	-	-	15,479	15,479	134,586
NEC Grants-in-aid	194	-	-	-	-	134,820	135,014	444
Event Entry Fees	-	-	-	15,250	2,375	-	17,625	15,250
Direct Institutional Support (See note 4)	-	-	-	-	-	9,265,448	9,265,448	9,286,739
Indirect Facilities Support (See note 5)	-	-	-	-	-	2,322,867	2,322,867	2,354,256
Miscellaneous Revenue	-	-	-	-	-	11,667	11,667	15,354
Total Operating Revenues	\$ 503,046	\$ 235,342	\$ 51,485	\$ 160,791	\$ 93,774	\$ 12,863,190	\$ 13,907,628	\$ 13,201,306
Expenses:								
Salaries, Wages, and Benefits	\$ 666,275	\$ 691,411	\$ 375,188	\$ 512,654	\$ 1,038,789	\$ 1,997,342	\$ 5,281,659	\$ 5,161,037
Contractual Services	37,202	31,264	28,265	17,640	30,946	343,449	488,766	371,800
Grants-In-Aid	-	-	-	-	-	3,920,079	3,920,079	3,526,184
Recruiting	38,928	32,077	49,809	8,980	23,901	-	153,695	157,247
Conferences	39,435	6,563	8,033	23,558	31,419	58,483	167,491	153,900
Team Travel	68,308	91,619	81,489	148,064	218,476	173,367	781,323	739,054
Marketing and Promotion	-	-	(6)	-	140	18,152	18,286	32,105
Memberships and Dues	90	420	480	1,047	2,873	43,118	48,028	48,707
Equipment, Uniforms, and Supplies	403,475	17,361	20,638	34,042	80,641	174,808	730,965	465,724
Insurance and Medical Services	-	-	-	-	-	20,213	20,213	33,752
Maintenance and Rental	-	-	130	-	-	313,999	314,129	8,269
Indirect Facilities Support	-	-	-	-	-	2,322,867	2,322,867	2,354,256
Other Operating Expenses	7,880	10,673	11,673	17,964	9,931	161,983	220,104	185,794
Total Operating Expenses	\$ 1,261,593	\$ 881,388	\$ 575,699	\$ 763,949	\$ 1,437,116	\$ 9,547,860	\$ 14,467,605	\$ 13,237,829
Excess (Deficiency) of Revenues Over (Under) Expenses	\$ (758,547)	\$ (646,046)	\$ (524,214)	\$ (603,158)	\$ (1,343,342)	\$ 3,315,330	\$ (559,977)	\$ (36,523)

See accompanying notes to financial statement

Central Connecticut State University
Notes to the Statement of Revenues and Expenditures
Intercollegiate Athletics Programs
For the Fiscal Year Ended June 30, 2013

Note 1. BASIS OF PRESENTATION

The accompanying Central Connecticut State University (CCSU) Intercollegiate Athletics Program Statement of Revenues and Expenses for the fiscal year ended June 30, 2013, has been prepared on the accrual basis of accounting with the exception that financial aid expenses have not been reduced for scholarship allowances. The purpose of the statement is to present a summary of revenues and expenses of the Intercollegiate Athletics Program of the university consistent with NCAA Agreed Upon Procedures Guidelines. The statement includes those intercollegiate athletics revenues and expenses made on behalf of the university's athletics programs by affiliated organizations. Because the statement presents only a selected portion of the activities of the university, it is not intended to, and does not, present either the financial position, changes in financial position, or cash flows for the year then ended. Revenues and expenses not directly identifiable to a specific sport are reported under the category "Non-Program Specific."

Note 2. ALLOCATION AMONG SPORTS

The athletics programs reflected in the accompanying Statement of Revenues and Expenses under "All Other Men's Sports" include the following:

- Men's Track
- Men's Cross-Country
- Men's Golf
- Men's Soccer
- Men's Baseball

The athletics programs reflected in the accompanying Statement of Revenues and Expenses under "All Other Women's Sports" include the following:

- Women's Track
- Women's Cross-Country
- Women's Golf
- Women's Soccer
- Women's Lacrosse
- Women's Swimming
- Women's Softball
- Women's Volleyball

Women's Cheerleading

The activities reflected as "Non-Program Specific" include revenues and expenses for non-allocated fees and costs, such as maintenance and general administration, publicity, etc.

Note 3. OUTSIDE GIFTS

Outside gifts received by the Athletics Department during the fiscal years ended June 30, 2012 and 2013, totaled \$629,156 and \$1,365,469, respectively. Disbursements, cash and non-cash, from athletics accounts administered by the CCSU Foundation, Inc., totaling \$621,743 and \$1,360,279, respectively, are included in these amounts.

Note 4. DIRECT INSTITUTIONAL SUPPORT

Direct institutional support represents allocations by the university administration of general unrestricted funds for various athletics programs. The allocations were primarily used to fund the salaries of Athletics Department administrators, coaches, and other athletics program personnel.

Note 5. INDIRECT FACILITIES AND ADMINISTRATIVE SUPPORT

Indirect facilities and administrative support includes overhead and depreciation not charged directly to the Athletics Department. The amount of indirect facilities support allocated to the Athletics Department is based on the percentage of direct facilities support charged to the Athletics Department compared to the amount of such charges for the university as a whole.

Note 6. CAPITAL ASSETS

The estimated book value of the university's athletically-related property, plant, and equipment, net of depreciation, as of June 30, 2013, amounted to \$18,001,548 according to the university's capital expenditure documentation. Additions and improvements related to athletics facilities totaled \$2,328,019 during the fiscal year ended June 30, 2013. Capital assets are those valued at more than \$1,000 based on historical cost; assets are tagged upon acquisition. The university uses the straight-line method of depreciation; land, capitalized collections, library books, and construction in progress are not depreciated. Disposal of capital items is approved by the university's Property Control Unit.