

STATE OF CONNECTICUT



*AUDITORS' REPORT
CENTRAL CONNECTICUT STATE UNIVERSITY
NATIONAL COLLEGIATE ATHLETIC ASSOCIATION
FOR THE FISCAL YEAR ENDED
JUNE 30, 2015*

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

STATE OF CONNECTICUT



AUDITORS OF PUBLIC ACCOUNTS

State Capitol
210 Capitol Avenue
Hartford, Connecticut 06106-1559

JOHN C. GERAGOSIAN

ROBERT M. WARD

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 3.2.4.15.1 for the fiscal year ended June 30, 2015. CCSU 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, 2015. 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.

- 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 2014-2015 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 20 receipt transactions for testing purposes from all receipts credited to accounts of the Intercollegiate Athletics Program. The total of these 20 receipts was \$1,435,766. 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 \$20,538, and vouched these items to supporting documentation. All payroll expenditures in our sample were computed accurately and were properly authorized.

We also reviewed payments to coaches and verified that payments were in agreement with the terms of each coach's contract with the university. No exceptions were noted as a result of this review.

- g. We selected ten travel-related expenditures for testing. The total of these ten expenditures was \$5,042. No exceptions were noted as a result of this testing.
- h. We reviewed expenditures made using Athletics Department purchasing cards. We selected two billing cycles and judgmentally selected ten cardholders' statements for review in one month and ten cardholders' statements for review in another month. The total of the expenditures selected for testing was \$20,178. We tested for adherence to sound internal control procedures, compliance with state purchasing policies, and CCSU purchasing card policies and procedures. No exceptions were noted as a result of this testing.

- i. 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 ten students and tested the validity of their reported aid, book awards, and any related adjustments. We verified that a signed award letter supporting the award of the athletic grant was available in the university's records. No exceptions were noted as a result of applying these procedures.
- j. We reviewed the CCSU Foundation, Inc. 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, 2015, 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 three receipts, totaling \$56,793, and three disbursements, totaling \$27,932, for testing purposes. We vouched these transactions to foundation accounting records and reviewed supporting documentation for validity. We found that these receipts and disbursements 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 and designees, the Board of Regents for Higher Education, 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.

Sincerely,



John C. Geragosian
Auditor of Public Accounts



Robert M. Ward
Auditor of Public Accounts

September 1, 2016
State Capitol
Hartford, Connecticut

**Central Connecticut State University
Intercollegiate Athletics Program
Statement of Revenues and Expenses
For the Fiscal Year Ended June 30, 2015**

	Football	Men's Basketball	Women's Basketball	All Other Men's Sports	All Other Women's Sports	Non-program Specific	2015 Total	2014 Total
Revenues:								
NCAA Distributions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 353,714	\$ 353,714	\$ 335,837
Contributions (See note 3)	69,627	7,593	13,064	103,778	79,555	398,588	672,205	1,129,113
Guarantees	60,000	265,000	20,000	11,500	-	-	356,500	301,000
Ticket Sales	22,408	25,785	14,110	-	-	402	62,705	66,384
Royalties and Licensing	-	-	-	-	-	15,471	15,471	13,066
Direct Institutional Support (See note 4)	-	-	-	-	-	10,549,773	10,549,773	10,374,039
Indirect Institutional Support (See note 5)	-	-	-	-	-	2,654,293	2,654,293	2,531,052
Other Operating Revenues	498	-	-	19,120	17,884	242,728	280,230	245,723
Total Operating Revenues	<u>\$ 152,533</u>	<u>\$ 298,378</u>	<u>\$ 47,174</u>	<u>\$ 134,398</u>	<u>\$ 97,439</u>	<u>\$ 14,214,969</u>	<u>\$ 14,944,891</u>	<u>\$ 14,996,214</u>
Expenses:								
Coaching Salaries and Benefits								
Paid by the University	\$ 846,336	\$ 733,230	\$ 460,432	\$ 807,184	\$ 1,382,081	\$ -	\$ 4,229,263	\$ 3,992,571
Support Staff Salaries and Benefits								
Paid by the University	-	-	-	-	-	2,308,538	2,308,538	2,187,285
Athletic Student Aid	-	-	-	-	-	3,947,677	3,947,677	4,000,155
Recruiting	38,708	28,012	26,653	7,391	20,664	-	121,428	115,731
Team Travel	59,558	64,927	40,056	148,172	185,454	108,749	606,916	732,531
Marketing and Promotion	255	-	-	110	153	13,650	14,168	12,171
Memberships and Dues	60	450	480	1,490	1,865	52,090	56,435	52,650
Sports Equipment, Uniforms, and Supplies	56,729	19,920	19,724	41,177	67,790	42,097	247,437	337,419
Medical Expenses and Insurance	-	-	-	-	-	22,121	22,121	19,930
Direct Overhead and Adm. Expenses	93,683	43,165	33,164	28,850	43,439	255,620	497,921	574,797
Indirect Institutional Support	-	-	-	-	-	2,654,293	2,654,293	2,531,052
Other Operating Expenses	7,623	9,390	9,664	17,509	11,808	137,616	193,610	196,843
Total Operating Expenses	<u>\$ 1,102,952</u>	<u>\$ 899,094</u>	<u>\$ 590,173</u>	<u>\$ 1,051,883</u>	<u>\$ 1,713,254</u>	<u>\$ 9,542,451</u>	<u>\$ 14,899,807</u>	<u>\$ 14,753,135</u>
Excess (Deficiency) of Revenues Over (Under) Expenses	<u>\$ (950,419)</u>	<u>\$ (600,716)</u>	<u>\$ (542,999)</u>	<u>\$ (917,485)</u>	<u>\$ (1,615,815)</u>	<u>\$ 4,672,518</u>	<u>\$ 45,084</u>	<u>\$ 243,079</u>

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, 2015

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, 2015, 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. CONTRIBUTIONS

Contributions received by the Athletics Department during the fiscal years ended June 30, 2014 and 2015, totaled \$1,129,113 and \$672,205 respectively. Disbursements, cash and non-cash, from athletics accounts administered by the CCSU Foundation, Inc., totaling \$1,029,653 and \$672,205, 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 INSTITUTIONAL SUPPORT

Indirect institutional support includes overhead and depreciation not charged directly to the Athletics Department. The amount of indirect institutional support allocated to the Athletics Department is based on the percentage of direct institutional 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 athletic-related property, plant, and equipment, net of depreciation, as of June 30, 2015, amounted to \$17,216,815 according to the university’s capital expenditures documentation. Total capital assets related to athletics facilities decreased by \$345,437 during the fiscal year ended June 30, 2015. 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.