

STATE OF CONNECTICUT



*AUDITORS' REPORT
SOUTHERN CONNECTICUT STATE UNIVERSITY
NATIONAL COLLEGE ATHLETIC ASSOCIATION
: FOR THE FISCAL YEAR ENDED
JUNE 30, 2012*

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. Mary A. Papazian, President
Southern 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 revenue and expenses of Southern Connecticut State University (SCSU) is in compliance with the National Collegiate Athletic Association (NCAA) bylaw 3.2.4.16 for the fiscal year ended June 30, 2012. SCSU management is responsible for the statement of revenue and expenses (the statement) 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 revenue and expenses and the university's Capital Expenditure Survey detailing capitalized assets, additions, and improvements of facilities for the fiscal year ended June 30, 2012. 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.

- b. We compared each major revenue and expense account to prior period amounts and obtained an understanding of any significant fluctuations. No unreasonable fluctuations were noted.
- c. We reviewed gift revenues. We vouched all such gifts to the university's accounting records for the fiscal year ended June 30, 2012, and noted no material exceptions.
- d. We reviewed organizational 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. However, we did note areas of concern that are commented upon below.

- e. We selected a sample of 20 cash receipts totaling \$206,199 credited to accounts of the Intercollegiate Athletics Program. The test items included receipts from tournament entry fees, game guarantees, contributions, NCAA conference distributions, ticket sales, rental fees, program sales, and novelty sales. We reviewed internal documentation for these receipts and 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. However, we noted 16 instances of delayed deposits. These delayed deposits included receipts totaling \$148,082 and were deposited between one and three business days late; with the majority being one business day late. In effect, with respect to the Athletics Program receipts, the university did not always comply with Section 4-32 of the General Statutes, which, generally, requires that state agencies deposit monies received within 24 hours.

In addition, we noted two instances in which the university did not enforce the terms of facilities usage agreements pertaining to the fees for the use of university facilities. In one instance, the contractor made a deposit and two of the three installment payments; however, neither the dates of the payments nor the amounts reflected the payment schedule detailed in the agreement. Furthermore, as of September 7, 2012, the balance owed on this agreement, totaling \$1,868, has been outstanding for 26 business days since the final payment date indicated in the agreement. In the second instance, the university received one of the four payments scheduled in the agreement. The payment, however, was neither in the correct amount nor received by the correct date. Further, as of September 7,

2012, the balance of this agreement, totaling \$5,463, has been outstanding for nearly seven months since the final payment date indicated in the agreement.

- f. We selected a sample of ten payroll expenses totaling \$26,320 and vouched these items to supporting documentation. All payroll expenses in our sample were computed accurately. However, our testing disclosed three instances in which student workers signed their timecards prior to the end of the pay period and recorded hours worked after they had signed. Furthermore, in all three instances the supervisor failed to include a signature date on the timecard. Therefore, we were unable to determine when the supervisor signed these timecards. In effect, we were unable to determine how much of the \$703 in payments issued in relation to these timecards, \$314 of which was for hours worked after the students had signed their timecards, had been certified by the supervisor.
- g. We identified two employees who separated from the Athletics Department during the fiscal year ended June 30, 2012, one of whom received a payment for unused leave time upon separation. Our review of this employee's payment of accrued leave at termination, which totaled \$36,015, disclosed that it was correctly calculated and adequately supported.
- h. We selected a sample of 15 nonpayroll expenses totaling \$180,515 and vouched these items to supporting documentation to determine whether they were properly authorized and accurately recorded. All payments tested were properly authorized and accurately recorded.
- i. We selected a separate sample of five travel-related expenses totaling \$37,172 and vouched these transactions to supporting documentation to determine whether they were properly authorized and otherwise well-supported. Our testing disclosed that these items were properly authorized and were supported by adequate documentation.
- 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, books, 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 SCSU Foundation, Inc. audited financial statements and reports 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 expenditures for the fiscal year ended June 30, 2012, related to the SCSU Intercollegiate Athletics

Program. Amounts reported in that statement were re-footed and cross-footed to verify accuracy.

We selected a sample of three deposits totaling \$11,629 and three disbursements totaling \$15,815 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 revenue and expenses of Southern 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, her 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.



John C. Geragosian
Auditor of Public Accounts



Robert M. Ward
Auditor of Public Accounts

May 24, 2013
State Capitol
Hartford, Connecticut

**Southern Connecticut State University
Intercollegiate Athletics Program
Statement of Revenues and Expenses
For the Fiscal Year Ended June 30, 2012**

Revenues:	Football	Men's Basketball	Women's Basketball	All Other Men's Sports	All Other Women's Sports	Non-program Specific	Total
NCAA Revenue	\$ -	\$ -	\$ 5,100	\$ 11,468	\$ 42,223	\$ 10,901	\$ 69,692
Outside Gifts (See note 3)	45,391	9,499	2,395	53,243	67,256	71,262	249,046
Game Guarantees	6,500	-	-	-	-	-	6,500
Ticket Sales	11,070	-	-	-	5,610	-	16,680
Facility Rental	-	-	-	-	-	73,942	73,942
Patents and Royalties	1,426	255	170	2,750	3,598	-	8,199
Sale of Equipment/Goods	206	-	-	-	437	-	643
Direct Institutional Support (See note 4)	-	-	-	-	-	6,350,770	6,350,770
Indirect Facilities Support (See note 5)	132,744	77,671	71,798	187,634	267,441	279,163	1,016,451
Miscellaneous Revenue	-	-	-	-	-	874	874
Total Operating Revenues	\$ 197,337	\$ 87,425	\$ 79,463	\$ 255,095	\$ 386,565	\$ 6,786,912	\$ 7,792,797
Expenses:							
Salaries, Wages, and Benefits	\$ 487,149	\$ 222,858	\$ 214,754	\$ 702,241	\$ 878,471	\$ 1,459,263	\$ 3,964,736
Severance Payments	-	-	-	-	-	36,016	36,016
Contractual Services	13,083	13,553	13,372	15,645	39,499	142,683	237,835
Grants-In-Aid	257,300	247,276	212,442	344,078	534,598	-	1,595,694
Recruiting	7,407	2,679	3,400	2,824	8,023	-	24,333
Conferences	-	-	-	471	104	-	575
Team Travel	47,432	16,435	21,747	120,781	205,966	231	412,592
Marketing and Promotion	60	44	171	45	658	5,899	6,877
Memberships and Dues	-	-	260	2,840	3,046	23,438	29,584
Equipment, Uniforms, and Supplies	47,314	9,939	8,621	42,047	65,647	87,975	261,543
Insurance and Medical Services	-	-	-	-	-	35,605	35,605
Maintenance and Rental	-	-	-	-	8,295	41,816	50,111
Indirect Facilities Support	132,744	77,671	71,798	187,634	267,441	279,163	1,016,451
Other Operating Expenses	25,216	5,024	3,883	19,924	38,635	28,163	120,845
Total Operating Expenses	\$ 1,017,705	\$ 595,479	\$ 550,448	\$ 1,438,530	\$ 2,050,383	\$ 2,140,252	\$ 7,792,797
Excess (Deficiency) of Revenues Over (Under) Expenses	\$ (820,368)	\$ (508,054)	\$ (470,985)	\$ (1,183,435)	\$ (1,663,818)	\$ 4,646,660	\$ -

See accompanying notes to financial statement

Southern Connecticut State University
Notes to the Statement of Revenues and Expenses of
Intercollegiate Athletics Programs
For the Fiscal Year Ended June 30, 2012

Note 1. BASIS OF PRESENTATION

The accompanying Statement of Revenues and Expenses for the Southern Connecticut State University intercollegiate Athletics Department for the fiscal year ended June 30, 2012, has been prepared on the accrual basis of accounting. The purpose of the statement is to present a summary of revenues and expenses of the university's intercollegiate athletics programs for the fiscal year ended June 30, 2012. 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 linked to a specific sport are reported under the Non-Program Specific category.

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 and Field
- Men's Swimming & Diving
- 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 and Field
- Women's Field Hockey
- Women's Gymnastics
- Women's Soccer
- Women's Lacrosse
- Women's Swimming & Diving
- Women's Softball
- Women's Volleyball

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 year ended June 30, 2012 totaled \$249,046. This amount consists entirely of cash disbursements from athletic accounts administered by the Southern Connecticut State University Foundation, Inc.

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 administration, 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. These charges include an allocated amount, based on a percentage of direct costs associated with the Athletics Department, for utilities, and general and administrative functions of the university.

Note 6. CAPITAL ASSETS

The estimated book value of athletically-related university property, plant, and equipment, net of depreciation, as noted by SCSU's Capital Expenditure Survey is \$7,367,560. The additions and improvements related to the Athletics Department made during the period under review totaled \$1,170,226. 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 are approved by the Property Control Unit.