

STATE OF CONNECTICUT



*AUDITORS' REPORT
CENTRAL CONNECTICUT STATE UNIVERSITY
NATIONAL COLLEGIATE ATHLETIC ASSOCIATION
FOR THE FISCAL YEAR ENDED
JUNE 30, 2019*

AUDITORS OF PUBLIC ACCOUNTS
JOHN C. GERAGOSIAN ❖ ROBERT J. KANE

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STATE OF CONNECTICUT



AUDITORS OF PUBLIC ACCOUNTS

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JOHN C. GERAGOSIAN

ROBERT J. KANE

October 6, 2020

INDEPENDENT ACCOUNTANT'S REPORT ON THE APPLICATION OF AGREED-UPON PROCEDURES

Dr. Zulma R. Toro, President
Central Connecticut State University

We have performed the procedures enumerated below, which were agreed to by you, related to whether the accompanying Statement of Revenues and Expenses and related notes of Central Connecticut State University (CCSU) for the fiscal year ended June 30, 2019 (Statement) is in compliance with the National Collegiate Athletic Association (NCAA) Bylaw 3.2.4.15 for the fiscal year ended June 30, 2019. CCSU management is responsible for the Statement and the 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 the parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures enumerated below either for the purposes for which this report has been requested or for any other purpose.

As discussed in Appendix D to the "2019 Agreed-Upon Procedures" NCAA guidelines, if a specific reporting category is less than 4% of the total revenues or expenses, no procedures are required to be performed for that specific category, and no procedures were performed.

Agreed-Upon Procedures for Internal Control over Compliance

1. We obtained, through discussion with management, an understanding of the CCSU athletic department's internal controls. The controls identified were not unique to the athletic department, and are tested as part of other engagements performed at the university. No further procedures were performed.

2. We obtained and tested the university's procedures for gathering information on the nature and extent of affiliated and outside organizational activity for or on behalf of the university's intercollegiate athletics program. We performed procedures to determine the university's adherence to these procedures.

No exceptions were noted as a result of performing these procedures.

Statement of Revenues and Expenses

General Procedures

1. We obtained the accompanying Statement of Revenues and Expenses for the fiscal year ended June 30, 2019 from CCSU Management. We obtained CCSU prepared schedules for each operating revenue and expense category on the Statement, which management stated are generated from its general ledger.
 - a. We agreed the amounts reported on the Statement to CCSU's prepared schedules. We ensured that the amounts were reported in accordance with NCAA guidelines and generally accepted accounting principles.
 - b. We agreed the amounts reported in CCSU's prepared schedules to its general ledger. We also scanned the general ledger for contributions constituting 10% or more in aggregate of all contributions received. No such contributions were noted.
 - c. We mathematically checked the totals and subtotals included in CCSU's prepared schedules.
 - d. We reviewed the notes to the Statement for propriety and compliance with NCAA guidelines.

No exceptions were noted as a result of performing these procedures.

2. The university does not prepare budgets in the categories as reported in the Statement, so we were unable to report comparisons between budgeted and actual amounts.

Minimum Agreed-Upon Procedures for Operating Revenues

1. We selected 10 operating receipts from the revenue supporting schedules obtained from CCSU management. We compared and agreed each selection to adequate supporting documentation.

No exceptions were noted as a result of performing these procedures.

2. We compared each major revenue category over 10% of the total revenues for the fiscal year ended June 30, 2019 to prior period amounts. No variations greater than 10% were identified.

3. As the ticket sales revenue category in the Statement is less than 4% of the total operating revenues, no procedures were performed for this category, which is in accordance with Appendix D to the “2019 Agreed-Upon Procedures” NCAA guidelines.
4. We compared the direct institutional support recorded by the university during the reporting period to the general ledger and other corroborative supporting documentation and recalculated the total.

No exceptions were noted as a result of performing these procedures.

5. We compared the indirect institutional support recorded by the university during the reporting period to expense payments, cost allocation detail, and other corroborative supporting documentation and recalculated the total.

No exceptions were noted as a result of performing these procedures.

6. We selected 3 contractual agreements pertaining to revenues derived from guaranteed contests during the reporting period. We compared each selection to CCSU’s general ledger and recalculated totals.

No exceptions were noted as a result of these procedures.

7. We selected 3 settlement reports for away games during the reporting period and agreed each report to CCSU’s general ledger and recalculated the totals.

No exceptions were noted as a result of these procedures.

8. As the contribution revenue category in the Statement is less than 4% of the total operating revenues, no procedures were performed for this category. This is in accordance with Appendix D to the “2019 Agreed-Upon Procedures” NCAA guidelines.

9. As the NCAA distributions revenue category in the Statement is less than 4% of the total operating revenues, no procedures were performed for this category. This is in accordance with Appendix D to the “2019 Agreed-Upon Procedures” NCAA guidelines.

10. As the conference distributions revenue category in the Statement is less than 4% of the total operating revenues, no procedures were performed for this category. This is in accordance with Appendix D to the “2019 Agreed-Upon Procedures” NCAA guidelines.

11. As the program, novelty, parking and concession sales revenue category in the Statement is less than 4% of the total operating revenues, no procedures were performed for this category. This is in accordance with Appendix D to the “2019 Agreed-Upon Procedures” NCAA guidelines.

12. As the royalties, licensing, advertisements and sponsorships revenue category in the Statement is less than 4% of the total operating revenues, no procedures were performed for this category.

This is in accordance with Appendix D to the “2019 Agreed-Upon Procedures” NCAA guidelines.

13. As the sports camp revenues revenue category in the Statement is less than 4% of the total operating revenues, no procedures were performed for this category. This is in accordance with Appendix D to the “2019 Agreed-Upon Procedures” NCAA guidelines.
14. As the athletics restricted endowment and investment income revenue category in the Statement is less than 4% of the total operating revenues, no procedures were performed for this category. This is in accordance with Appendix D to the “2019 Agreed-Upon Procedures” NCAA guidelines.
15. As the other operating revenues revenue category in the Statement is less than 4% of the total operating revenues, no procedures were performed for this category. This is in accordance with Appendix D to the “2019 Agreed-Upon Procedures” NCAA guidelines.

Minimum Agreed-Upon Procedures for Operating Expenses

1. We selected 10 operating expenses from the expense supporting schedules obtained from CCSU management. We compared and agreed each selection to adequate supporting documentation.

No exceptions were noted as a result of performing these procedures.

2. We compared each major expense category over 10% of total expenses for the fiscal year ended June 30, 2019 to prior period amounts. No variations greater than 10% were identified.
3. We selected 27 student athletes from the listing of CCSU student aid recipients during the reporting period. We obtained individual student account detail and compared total aid in CCSU’s student system to CCSU’s report that corresponds directly to the NCAA Membership Financial Reporting System. We performed a check of each student selected to ensure their information was accurately reported in the NCAA’s Membership Financial Reporting System using NCAA specified criteria. We recalculated the totals for each sport and overall.

No exceptions were noted as a result of performing these procedures.

4. As the guarantees expense category in the Statement is less than 4% of total operating expenses, no procedures were performed for this category. This is in accordance with Appendix D to the “2019 Agreed-Upon Procedures” NCAA guidelines.
5. We obtained a detailed listing of all sports coaches employed by the university and their related salaries for the fiscal year ended June 30, 2019 from CCSU management.
 - a. We mathematically checked the total of the detailed listing.

- b. We agreed the total amount of expenses for coaches' salaries in the detailed listing to the corresponding amount in the line item "Coaching Salaries, Benefits and Bonuses Paid by the University and Related Entities" included in the Statement.
- c. From the listing of coaches employed by the university, we selected the head coaches for football, men's basketball, women's basketball, men's soccer, and women's volleyball. We obtained the payroll summary registers for the reporting period for each of the coaches selected from CCSU management and agreed to the related expenses in the detailed listing.
- d. We obtained the related employment contracts for each of the coaches selected from CCSU management. We agreed the coaches' salaries per the contracts to the amounts included in the detailed listing. For any salaries that did not agree, we obtained explanations from management. We make no comment as to the appropriateness of the reconciling items or sufficiency of explanations obtained.

No exceptions were noted as a result of these procedures.

- 6. We obtained from CCSU management a detailed listing of all athletics' support staff and their salaries for the fiscal year ended June 30, 2019.
 - a. We mathematically checked the total of the detailed listing.
 - b. We agreed the total expenses for support staff salaries in the detailed listing to the amount in the line item, "Support Staff/Administrative Compensation, Benefits and Bonuses Paid by the University and Related Entities" included in the Statement.
 - c. We selected 5 support staff paid by the university from the detailed listing. We obtained and agreed the payroll summary registers from the reporting period for each of the support staff selections to the related expenses in the detailed listing.

No exceptions were noted as a result of performing these procedures.

- 7. As the recruiting expense category in the Statement is less than 4% of total operating expenses, no procedures were performed for this category. This is in accordance with Appendix D to the "2019 Agreed-Upon Procedures" NCAA guidelines.
- 8. We obtained a listing of team travel expenses for the fiscal year ended June 30, 2019 from CCSU's general ledger.
 - a. We agreed the total dollar amount of travel expenses in the general ledger to the corresponding amount in the line item "Team Travel" included in the Statement and recalculated the totals.
 - b. We obtained CCSU's travel policy from university management. We compared the index of CCSU's travel policies to the NCAA policies to observe that CCSU's policies included

each of the topics included in the NCAA policies. We make no comment as to the appropriateness of the detailed policy.

No exceptions were noted as a result of these procedures.

9. As the sports equipment, uniforms, and supplies expense category in the Statement is less than 4% of total operating expenses, no procedures were performed for this category. This is in accordance with Appendix D to the “2019 Agreed-Upon Procedures” NCAA guidelines.
10. As the game expenses expense category in the Statement is less than 4% of total operating expenses, no procedures were performed for this category. This is in accordance with Appendix D to the “2019 Agreed-Upon Procedures” NCAA guidelines.
11. As the fund raising, marketing and promotion expense category in the Statement is less than 4% of total operating expenses, no procedures were performed for this category. This is in accordance with Appendix D to the “2019 Agreed-Upon Procedures” NCAA guidelines.
12. As the sports camp expenses expense category in the Statement is less than 4% of total operating expenses, no procedures were performed for this category. This is in accordance with Appendix D to the “2019 Agreed-Upon Procedures” NCAA guidelines.
13. As the spirit groups expense category in the Statement is less than 4% of total operating expenses, no procedures were performed for this category. This is in accordance with Appendix D to the “2019 Agreed-Upon Procedures” NCAA guidelines.
14. As the direct overhead and administrative expenses expense category in the Statement is less than 4% of the total operating expenses, no procedures were performed for this category. This is in accordance with Appendix D to the “2019 Agreed-Upon Procedures” NCAA guidelines.
15. We obtained the cost allocation detail and other corroborative supporting documentation for total indirect institutional support and compared it to the total expenses reported and recalculated totals.

No exceptions were noted as a result of performing these procedures.

16. As the medical expenses and insurance expense category in the Statement is less than 4% of total operating expenses, no procedures were performed for this category. This is in accordance with Appendix D to the “2019 Agreed-Upon Procedures” NCAA guidelines.
17. As the memberships and dues expense category in the Statement is less than 4% of total operating expenses, no procedures were performed for this category. This is in accordance with Appendix D to the “2019 Agreed-Upon Procedures” NCAA guidelines.
18. As the student-athletes meals (non-travel) expense category in the Statement is less than 4% of total operating expenses, no procedures were performed for this category. This is in accordance with Appendix D to the “2019 Agreed-Upon Procedures” NCAA guidelines.

19. As the other operating expenses expense category in the Statement is less than 4% of total operating expenses, no procedures were performed for this category. This is in accordance with Appendix D to the “2019 Agreed-Upon Procedures” NCAA guidelines.

Minimum Agreed-Upon Procedures for Affiliated and Outside Organizations

1. We obtained a list of all university booster group activities, for both independent and affiliated organizations (including alumni organizations), that have a principal purpose of generating funds for CCSU’s athletic department during the fiscal year ended June 30, 2019 from CCSU management.
 - a. We obtained the financial statements for affiliated organizations as of June 30, 2019 and agreed each of the revenue and expense amounts appearing in the financial statements of the affiliated organizations to the corresponding amounts included in the Statement.
 - b. We obtained a representation letter signed by CCSU management that booster organizations listed are the only booster organizations that support the athletic department as defined in the National Collegiate Athletic Association Financial Audit Guidelines.

Our review disclosed two instances in which the university recorded \$13,390 related to men’s baseball in the incorrect sports category. In those instances, the university recorded \$7,926 in men’s basketball and \$5,464 in women’s basketball.

2. We obtained a summary schedule of revenues and expenses for or on behalf of intercollegiate athletics programs by affiliated and outside organizations not under the accounting control of the university to be included with the agreed-upon procedures report from CCSU management. We obtained written representations from management as to the fair presentation of the summary schedule.

No exceptions were noted as a result of performing these procedures.

Minimum Agreed-Upon Procedures for Other Reporting Items

1. We scanned CCSU’s general ledger and made inquiries to CCSU management about excess transfers to the university. No transfers were identified and we were informed by CCSU management that no transfers had occurred. No further procedures were performed.
2. We scanned CCSU’s general ledger and made inquiries to CCSU management about outstanding intercollegiate athletics debt as of the end of the reporting period. No outstanding intercollegiate athletics debt was identified and we were informed by CCSU management that there was none. No further procedures were performed.
3. We scanned CCSU’s general ledger, reviewed the Connecticut State Universities’ audited financial statements, and made inquiries to CCSU management about outstanding debt of the university as of the end of the reporting period. No outstanding university debt was identified

and we were informed that the Connecticut State University System Office holds all debt of the system, not each specific university, which is supported by the audited financial statements. No further procedures were performed.

4. We obtained a schedule of all athletics dedicated endowments maintained by athletics, the university, and affiliated organizations from CCSU management.
 - a. We mathematically checked the total of the detailed listing.
 - b. We agreed the total fair market value to supporting documentation of the CCSU Foundation Inc.'s general ledger, and the corresponding footnote of the CCSU Foundation, Inc.'s fiscal year 2019 audited financial statements.

No exceptions were noted as a result of performing these procedures.

5. We scanned CCSU's general ledger, reviewed the Connecticut State Universities' audited financial statements, and made inquiries to CCSU management about institutional endowment funds as of the end of the reporting period.

We found that CCSU reported the CCSU Foundation Inc.'s net assets, totaling \$81,156,183, as institutional endowments. However, the CCSU Foundation Inc. is a separate entity for financial reporting purposes and, as such, its endowment funds should not be reported as CCSU's institutional endowments. In effect, CCSU overstated institutional endowments by \$81,156,183 in the NCAA Membership Financial Reporting System. The overstatement was due to the misinterpretation of the NCAA reporting guidelines.

6. We scanned CCSU's general ledger and made inquiries to CCSU management about athletics related capital expenses made by the athletic department, the university, and affiliated organizations during the reporting period. We compared the total athletics related capital expenses reported in CCSU's general ledger to expenses reported. We selected a sample of transactions to validate the existence of transactions and accuracy of recording, and recalculated totals.

No exceptions were noted as a result of performing these procedures.

We obtained representations from CCSU management that to the best of their knowledge and belief, all revenues and expenses related to the athletics department had been properly included in the Statement.

Additional Minimum Agreed-Upon Procedures

1. We compared and agreed the sports sponsored as reported in the NCAA Membership Financial Reporting System to CCSU's squad lists supporting equivalency calculations. We were to inquire about any discrepancies in the sports sponsored and report the justifications.

No exceptions were noted as a result of performing these procedures.

2. We compared the current year grants-in-aid revenue distribution equivalencies to prior year reported equivalencies per the Membership Financial Report submission and noted a decrease of 6.61%. The university informed us that the decrease was due to the removal of men's and women's golf teams, as well as other reductions in athletic aid.
3. We obtained CCSU's Sports Sponsorship and Demographics Forms Report for the reporting period and verified that CCSU's countable sports reported met the minimum requirements set forth in Bylaw 20.9.6.3 for the number of contests and participants in each contest that is counted toward meeting the minimum contest requirement. We ensured CCSU had properly reported these sports as countable for revenue distribution purposes within the NCAA Membership Financial Reporting System.

No exceptions were noted as a result of performing these procedures.

4. We agreed the total number of student athletes who, during the academic year, received a Pell Grant award and the total value of these Pell Grants reported in the NCAA Membership Financial Reporting System to a report, generated from CCSU's financial aid records, of all student-athlete Pell Grants.

We found that CCSU overstated Pell Grant awards reported in the NCAA Membership Financial Reporting System by \$3,048. The lack of an adjustment for a student athlete withdrawal caused the overstatement.

5. We compared the current year Pell Grants total to the prior year reported total per the Membership Financial Report submission and documented, an explanation for any variances greater than 20 grants.

No exceptions were noted as a result of performing these procedures.

We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the accompanying Statement of Revenues and Expenses of the University as of June 30, 2019 or on CCSU's compliance with the NCAA requirements. Accordingly, we do not express such an opinion or conclusion. 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 for 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.

In conclusion, 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 engagement.

Approved:



John C. Geragosian
State Auditor



Michael Delaney
Principal Auditor



Robert J. Kane
State Auditor

Central Connecticut State University
Intercollegiate Athletics Program
Statement of Revenue and Expenses (Unaudited)
For the Fiscal Year Ended June 30, 2019

	Football	Men's Basketball	Women's Basketball	All Other Men's Sports	All Other Women's Sports	Non-Program Specific	2019 Total	2018 Total
Revenues:								
Ticket Sales	\$ 19,141	\$ 15,730	\$ 5,733	\$ 2,913	\$ 6,577	\$ -	\$ 50,094	\$ 54,309
Direct Institutional Support	2,656,871	981,426	1,124,713	\$1,686,803	3,526,537	1,967,170	11,943,520	11,705,526
Indirect Institutional Support	-	-	-	-	-	2,654,047	2,654,047	2,631,086
Guarantees	400,000	360,000	29,000	-	-	-	789,000	1,040,500
Contributions	19,909	34,085	21,519	114,926	60,067	399,495	650,001	588,190
NCAA Distributions	-	-	-	-	-	416,337	416,337	54,400
Conference Distributions	-	1,000	-	-	-	206,669	207,669	-
Program, Novelty, Parking and Concession Sales	-	-	-	-	-	14,366	14,366	184,531
Royalties, Licensing, Advertisement and Sponsorship	96	-	-	-	-	21,456	21,552	152,365
Sports Camp Revenues	-	-	-	7,220	13,850	-	21,070	11,650
Athletics Restricted Endowment and Investments Income	9,616	2,130	5,075	7,961	5,868	29,868	60,518	340,196
Other Operating Revenue	1,362	-	-	18,222	9,249	122,517	151,350	74,405
Total Operating Revenues	3,106,995	1,394,371	1,186,040	1,838,045	3,622,148	5,831,925	16,979,524	16,837,158
Expenses:								
Athletic Student Aid	1,458,690	516,306	531,964	\$563,659	1,718,610	-	4,789,229	4,900,099
Guarantees	25,000	-	-	-	-	-	25,000	36,530
Coaching Salaries, Benefits and Bonuses								
Paid by the University and Related Entities	1,094,921	589,573	487,346	875,511	1,440,880	-	4,488,231	4,279,307
Support Staff/Administrative Compensation, Benefits and Bonuses Paid by the University and Related Entities	-	-	-	-	-	2,666,099	2,666,099	2,524,744
Recruiting	29,969	37,401	22,525	3,821	12,664	-	106,380	84,461
Team Travel	232,639	136,191	67,591	236,586	238,778	604	912,389	855,468
Sports Equipment, Uniforms and Supplies	88,057	25,565	14,441	53,161	70,231	46,060	297,515	216,068
Game Expenses	71,254	65,936	48,746	39,174	60,894	-	286,004	277,513
Fund Raising, Marketing and Promotion	-	-	-	8,476	-	41,774	50,250	50,413
Sports Camp Expenses	-	-	-	-	-	2,146	2,146	-
Spirit Groups	-	-	-	-	-	5,690	5,690	11,375
Direct Overhead and Administrative Expenses	13,936	-	-	16,746	17,830	146,049	194,561	155,667
Indirect Institutional Support	-	-	-	-	-	2,654,047	2,654,047	2,631,086
Medical Expenses and Insurance	-	-	-	-	-	79,896	79,896	49,065
Memberships and Dues	5,100	1,305	-	886	2,714	52,746	62,751	57,937
Student-Athletes Meals (Non-Travel)	60,307	7,477	6,974	18,183	39,112	3,851	135,904	98,441
Other Operating Expenses	27,122	14,617	6,453	21,842	20,435	132,963	223,432	309,412
Total Operating Expenses	3,106,995	1,394,371	1,186,040	1,838,045	3,622,148	5,831,925	16,979,524	16,537,586
Excess (Deficiency) of Revenues over (under) Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 299,572

See Accompanying Notes to Statement

(Unaudited)
Central Connecticut State University
Notes to the Statement of Revenues and Expenses
Intercollegiate Athletics Programs
For the Fiscal Year Ended June 30, 2019

Note 1. BASIS OF PRESENTATION

The accompanying Central Connecticut State University (CCSU) Intercollegiate Athletics Program Statement of Revenues and Expenses (Statement) for the fiscal year ended June 30, 2019, 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 revenue and expenses of the Intercollegiate Athletics Program of the university consistent with National Collegiate Athletic Association (NCAA) Agreed-Upon Procedures guidelines. The Statement includes those intercollegiate athletics revenues and expenses made on behalf of the university's athletic 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 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 athletic programs reflected in the accompanying Statement of Revenues and Expenses under All Other Men's Sports include the following:

Men's Baseball
Men's Cross-Country
Men's Soccer
Men's Track and Field

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

Women's Cross-Country
Women's Lacrosse
Women's Soccer
Women's Softball
Women's Swimming and Diving
Women's Track and Field
Women's Volleyball

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

Note 3. CONTRIBUTIONS

Contributions received by the Athletics Department during the fiscal year ended June 30, 2019, totaled \$650,001 with the CCSU Foundation, Inc. being the sole contributor.

During the year ended June 30, 2019, the university received individual contributions from the foundation in excess of 10% of total contributions, in the amounts of \$145,269, \$150,000, and \$87,726.

Note 4. CAPITAL ASSETS

The estimated book value of the university's athletic-related property, plant, and equipment, net of depreciation, as of June 30, 2019, amounted to \$13,589,818 according the university's capital expenditure documentation. Capital assets are those valued at more than \$5,000 based upon historical cost; assets are tagged upon acquisition. The university uses the straight-line method of depreciation; land, capitalized collections, and construction in progress are not depreciated. Disposal of capital items is approved by the university's Property Control Unit.