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 6.2.3 for the fiscal year ended June 30, 2007. CCSU’s management is responsible for the Statement of Revenues and Expenses (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 Revenues 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 Expenditures Survey detailing capitalized assets, additions, and improvements of facilities for the fiscal year ended June 30, 2007. We recalculated the addition of the amounts on the statement, vouched the amounts on the Statement and the Survey 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 and the Survey. We did, however, note some immaterial differences on the Statement 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. Differences between years appeared reasonable.

c. We reviewed gift revenues. We vouched all such gifts to the University’s accounting records for the fiscal year ended June 30, 2007, 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. However, we did note areas of concern that are commented upon below.

e. We selected a sample of 25 cash receipts totaling $531,962 credited to accounts of the Intercollegiate Athletics Program. The test items included receipts from tournament entry fees, game guarantees, contributions, NCAA conference distributions, royalties, program sales, ticket sales, and novelty sales. 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. However, in two instances tested, we noted delays in bank deposits. These exceptions consisted of deposits of $4,500 and $6,310, which were delayed one and two business days, respectively. In effect, with respect to the exceptions noted, the University did not comply with Section 4-32 of the Connecticut General Statutes, which, generally, requires that State agencies deposit monies received within 24 hours.

f. We selected a sample of 10 payroll expenditures totaling $28,696 and vouched these items to supporting documentation. All payroll expenditures in our sample were computed accurately and were properly authorized.

g. We performed a test of dual employment for employees of the Athletics Department. During our testing, we noted that one employee was scheduled to begin working in a secondary position six days prior to the approval of a corresponding dual employment form. Such a form, if executed in a timely manner, would help to disclose any conflicts of interest or schedules between or among the positions held. No such conflicts were noted in the instance cited above.

h. We selected a sample of 15 expenditures totaling $155,957 and vouched these transactions to supporting documentation to determine if they were properly authorized and recorded accurately. All payments tested were properly authorized and recorded accurately.

i. We selected a separate sample of five travel-related expenditures totaling $78,508 and vouched these transactions to supporting documentation to determine if they were properly authorized and otherwise well-supported. We noted that these items were properly authorized and were supported by adequate documentation.
j. We reviewed expenditures made using Athletics Department purchasing cards. We selected 15 purchasing card transactions totaling $3,343 and tested for adherence to sound internal control procedures and compliance with State purchasing policies and University purchasing card policies and procedures. We noted no exceptions with respect to internal control and compliance in the purchases tested.

k. 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 if 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.

l. We reviewed the Central Connecticut State University Foundation, Inc. (Foundation) 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 expenses for fiscal year ended June 30, 2007, 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 $38,020 and three disbursements totaling $21,889 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 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 Trustees, 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.

Kevin P. Johnston
Auditor of Public Accounts

Robert G. Jaekle
Auditor of Public Accounts

DATE
State Capitol
Hartford, Connecticut
### Revenues:

<table>
<thead>
<tr>
<th>Source</th>
<th>Football</th>
<th>Men's Basketball</th>
<th>Women's Basketball</th>
</tr>
</thead>
<tbody>
<tr>
<td>NCAA revenue</td>
<td>$</td>
<td>$ 10,000</td>
<td>$ -</td>
</tr>
<tr>
<td>Outside gifts (See note 3)</td>
<td>57,778</td>
<td>6,800</td>
<td>5,981</td>
</tr>
<tr>
<td>Game guarantees</td>
<td>70,000</td>
<td>46,664</td>
<td>9,603</td>
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<tr>
<td>Ticket sales</td>
<td>18,064</td>
<td>120,687</td>
<td>949</td>
</tr>
<tr>
<td>Fund raising</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Facility rental</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Camps and clinics</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Patents and royalties</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>NEC grants-in-aid</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Event entry fees</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Direct institutional support (See note 4)</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Indirect facilities support (See note 5)</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Miscellaneous revenue</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Operating Revenues</strong></td>
<td>145,842</td>
<td>184,151</td>
<td>16,533</td>
</tr>
</tbody>
</table>

### Expenses:

<table>
<thead>
<tr>
<th>Expense</th>
<th>Football</th>
<th>Men's Basketball</th>
<th>Women's Basketball</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries, wages and benefits</td>
<td>$ 508,850</td>
<td>$ 569,630</td>
<td>$ 427,099</td>
</tr>
<tr>
<td>Contractual services</td>
<td>12,480</td>
<td>6,106</td>
<td>5,698</td>
</tr>
<tr>
<td>Grants-In-Aid</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Recruiting</td>
<td>9,367</td>
<td>51,825</td>
<td>12,073</td>
</tr>
<tr>
<td>Conferences</td>
<td>41,558</td>
<td>4,859</td>
<td>6,038</td>
</tr>
<tr>
<td>Team travel</td>
<td>138,204</td>
<td>78,292</td>
<td>68,539</td>
</tr>
<tr>
<td>Marketing and promotion</td>
<td>-</td>
<td>-</td>
<td>940</td>
</tr>
<tr>
<td>Memberships and dues</td>
<td>-</td>
<td>2,437</td>
<td>868</td>
</tr>
<tr>
<td>Equipment, uniforms and supplies</td>
<td>50,969</td>
<td>25,887</td>
<td>22,107</td>
</tr>
<tr>
<td>Insurance and medical services</td>
<td>(134)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Maintenance and rental</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Indirect facilities support</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other operating expenses</td>
<td>4,217</td>
<td>57,793</td>
<td>9,083</td>
</tr>
<tr>
<td><strong>Total Operating Expenses</strong></td>
<td>765,511</td>
<td>796,829</td>
<td>552,445</td>
</tr>
</tbody>
</table>

**Excess (deficiency) of Revenues over (under) Expenses**: $ (619,669), $ (612,678), $ (535,912)

See accompanying notes to Financial Statement.
<table>
<thead>
<tr>
<th>Men's Sports</th>
<th>All Other</th>
<th>Women's Sports</th>
<th>All Other</th>
<th>Non-program</th>
<th>2007 Total</th>
<th>2006 Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>$15,539</td>
<td>10,979</td>
<td>287,012</td>
<td>384,089</td>
<td>373,992</td>
<td>$190,423</td>
<td>$125,099</td>
</tr>
<tr>
<td>5,000</td>
<td>-</td>
<td>-</td>
<td>131,267</td>
<td>26,900</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>476</td>
<td>1,092</td>
<td>-</td>
<td>141,268</td>
<td>58,525</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>-</td>
<td>1,409</td>
<td>-</td>
<td>1,409</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>-</td>
<td>-</td>
<td>9,698</td>
<td>9,698</td>
<td>26,783</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>-</td>
<td>-</td>
<td>4,995</td>
<td>4,995</td>
<td>27,977</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>-</td>
<td>-</td>
<td>19,703</td>
<td>19,703</td>
<td>16,131</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>-</td>
<td>-</td>
<td>67,945</td>
<td>67,945</td>
<td>25,165</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>7,180</td>
<td>17,037</td>
<td>-</td>
<td>24,217</td>
<td>10,825</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>-</td>
<td>-</td>
<td>7,638,305</td>
<td>7,638,305</td>
<td>6,508,457</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>-</td>
<td>-</td>
<td>3,277,798</td>
<td>3,277,798</td>
<td>1,984,985</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>-</td>
<td>-</td>
<td>17,190</td>
<td>17,190</td>
<td>16,627</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>28,195</td>
<td>30,517</td>
<td>11,503,069</td>
<td>11,908,307</td>
<td>9,201,466</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

| $387,880    | $730,604  | $1,853,018     | $4,477,081| $4,029,708  |
| 1,096       | 1,723     | 60,078         | 87,181    | 1,221,094   |
| 9,165       | 26,260    | 96             | 108,786   | -           |
| 18,530      | 26,667    | 13,106         | 110,758   | -           |
| 140,039     | 184,528   | 41,529         | 651,131   | -           |
| -           | -         | 4,467          | 5,407     | -           |
| 1,140       | 2,495     | 39,820         | 46,760    | -           |
| 32,832      | 45,138    | 74,633         | 251,566   | -           |
| 380         | -         | 16,466         | 16,712    | -           |
| -           | -         | 8,454          | 8,454     | -           |
| -           | -         | 3,277,798      | 3,277,798 | 1,984,985   |
| 7,273       | 2,785     | 141,552        | 222,703   | 245,481     |
| 598,335     | 1,020,200 | 7,996,906      | 11,730,226| 9,437,374   |

| $3,506,163  | $178,081  | $2,465,889     | $477,081  | -           |
| (570,140)   | (989,683) | (3,506,163)    | (178,081) | -           |
Note 1. **BASIS OF PRESENTATION**

The accompanying Central Connecticut State University Intercollegiate Athletics Program Statement of Revenues and Expenses for the fiscal year ended June 30, 2007, 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 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 fiscal year then ended. Revenues and expenses not directly identifiable to a specific sport are reported under the category “Non-Program Specific.”

Note 2. **REALLOCATION 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 Track
- Men’s Cross-Country
- Men’s Golf
- Men’s Soccer
- Men’s Baseball

The athletic 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 classified 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**

Total outside gifts received by the Athletics Department during the fiscal years ended June 30, 2006 and 2007, were $373,992 and $384,089, respectively. Disbursements, cash and non-cash, from athletic accounts administered by the CCSU Foundation, Inc. totaling $330,390 and $365,227, respectively, are included in these amounts.

Note 4. **DIRECT INSTITUTIONAL SUPPORT**

Direct institutional support represents allocations by the University’s administration of general unrestricted funds for various athletic programs. The allocations were primarily used to fund the salaries of Athletics Department administrators, coaches, and other athletic 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 University as a whole.

Note 6. **CAPITAL ASSETS**

The total book value of athletically-related property, plant, and equipment as of June 30, 2007, amounted to $12,174,109. Additions and improvements to athletics facilities totaled $279,758. 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.