

**UNIVERSITY OF COLORADO, COLORADO SPRINGS
DEPARTMENT OF INTERCOLLEGIATE ATHLETICS**

**INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING
NATIONAL COLLEGIATE ATHLETIC ASSOCIATION
AGREED-UPON PROCEDURES**

For the Year Ended June 30, 2019

LEGISLATIVE AUDIT COMMITTEE

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Independent Accountants' Report on Applying NCAA Agreed-Upon Procedures

Members of the Legislative Audit Committee
Denver, Colorado

Dr. Venkat Reddy, Chancellor
University of Colorado, Colorado Springs
Colorado Springs, Colorado

We have performed the procedures enumerated below, which were agreed to by the management of the University of Colorado, Colorado Springs (the Institution or UCCS) and the Legislative Audit Committee, solely to assist you in evaluating whether the accompanying Statements of Revenues and Expenses (the Statements) of the University of Colorado, Colorado Springs Intercollegiate Athletics Department (the Department) are in compliance with the National Collegiate Athletic Association (NCAA) Bylaw 6.2.3.1 for the year ended June 30, 2019. The University's management is responsible for the Statements and the Statements' compliance with those requirements. 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 described below either for the purpose for which this report has been requested or for any other purpose. If a specific reporting category is less than 4% of the total revenues or expenses, no procedures are required for that specific category.

The procedures that we performed and the results are as follows:

Agreed-Upon Procedures Related to the Statements of Revenues and Expenses

A. Internal Control

1. We obtained and documented information from management, and verified through interview of the Director of Athletics and observation, concerning the internal control environment for the Department. This includes the general control environment, use of internal audit, recording of revenues, authorization of expenses, review of budget to actual reports, and processing of specific elements of controls for the Department, such as ticket sales, and initiating, authorizing, processing, and recording entries in the general ledger and financial statements. No exceptions noted.
2. We obtained a listing of all Department personnel. From that list, we selected three individuals: the assistant men's basketball coach, the assistant baseball coach, and the head women's volleyball coach, and performed the following:
 - We obtained the certification of compliance responsibilities for fiscal year 2019, which was signed by the institution's chancellor.
 - We contacted the individuals selected to inquire whether they understand their responsibilities for NCAA compliance, monitoring compliance and reporting violations. No exceptions noted.

B. External Organizations

1. We obtained a listing from University management of outside organizations that made contributions directly to the Department. Per discussion with management, the only such organization was the University of Colorado Foundation (the Foundation).
2. We obtained from the sole outside organization (the Foundation), whose contributions exceeded 10% of total contributions reported by the Department for the year ended June 30, 2019, the amount of its contributions. We compared these to the revenues recorded by the Department in the general ledger without exception.
3. We obtained and reviewed the audited financial statements and required communications to governance letter for the Foundation for the year ended June 30, 2019. No exceptions noted.
4. We did not note any expenditures paid by the Foundation on behalf of the Department to outside vendors per discussion with management and review of the communication from the Foundation.

C. Revenues

<u>Procedure</u>	<u>Result</u>
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All Revenue Categories

- | | |
|--|--|
| 1. Compared and agreed each operating revenue category reported in the Statements during the reporting period to supporting schedules provided by the institution. | No exceptions noted. |
| 2. Compared and agreed a sample of five operating revenue receipts obtained from the above revenue supporting schedules to adequate supporting documentation. | See procedures performed in specific revenue categories. |
| 3. Compared each major revenue account over 10% of the total revenues to prior period amounts and to budget estimates. We obtained and documented an understanding of any significant variances over the lesser of \$100,000 or 10% from the prior year. | We compared actual revenues reported on the Statements for the year ended June 30, 2019, to those for the year ended June 30, 2018, and to the budgeted amounts. We noted that there were no fluctuations greater than 10% and over scope. |

Budget to Actual:

We noted during our testing that the budget is adopted on a basis that is slightly different from that of the Statements. As such, the comparison performed used budget and actual amounts that are grouped differently than the Statements and does not include all revenues and expenses on the Statements. This is not an exception, as the Department is not required to adopt a budget based on the reporting categories in the Statements. No fluctuations were greater than 10% and over scope noted in the procedures.

<u>Procedure</u>	<u>Result</u>
Ticket Sales	
4. We were asked to compare tickets sold during the reporting period, complimentary tickets provided during the reporting period and unsold tickets to the related revenue reported by the institution in the Statements and the related attendance figures, and to recalculate totals.	As the total ticket sales balance was less than 4.0% of total revenues, it did not meet the threshold for testing. As such, procedure was not performed.
Student Fees	
5. We were asked to compare and agree the student fees reported by the Institution in the Statements for the reporting period to the student enrollments during the same reporting period and to recalculate totals.	No exceptions noted.
6. We were asked to obtain and document an understanding of the University's methodology for allocating student fees to the Department.	No exceptions noted.
7. We were asked to obtain the Department's methodology for allocation of student fees as generated revenue, if applicable, and recalculate the totals of for each sport. We were asked to tie the calculation to supporting documents such as seat manifests, ticket sales reports and student fee totals.	No exceptions noted.
Direct State or Other Governmental Support	
8. We were asked to compare direct state or other governmental support recorded by the institution during the reporting period with state appropriations, institutional authorization and other corroborative supporting documentation, and to recalculate totals.	As there was no direct state or other governmental support for the year ended June 30, 2019, this procedure was not performed.

Direct Institutional Support

9. We were asked to compare the direct institutional support recorded by the institution during the reporting period with the institutional supporting budget transfers documentation and other corroborative supporting documentation, and to recalculate totals.

We compared the amount in the Statements to the fund approved budget of \$3,363,784, noting that the actual direct institutional support totaled \$3,232,633, or \$131,151 under the budgeted amount. The variance relates to the athletic department not drawing the full budgeted support from The UCCS Booster Club, UCCS Athletic Gift, and C. Murray Athletic Endowment funds. These funds are used by the athletic department for athletic scholarships, and the full budgeted amounts were not needed to cover the 2019 athletic awards. No exceptions noted.

Transfers Back to Institution

10. We were asked to compare the transfers back to institution with permanent transfers back to Institution from the athletics department and to recalculate totals.

As there were no transfers back to institution for the year ended June 30, 2019, this procedure was not performed.

Indirect Institutional Support

11. We were asked to compare the indirect institutional support recorded by the Institution during the reporting period with expense payments, cost allocation detail and other corroborative supporting documentation, and to recalculate totals.

As the total indirect institutional support balance was less than 4.0% of total revenues, it did not meet the threshold for testing. As such, procedure was not performed.

Guarantees

12. We were asked to select a sample of five settlement reports for away games during the reporting period and agreed each selection to the Institution's general ledger and the statements, and to recalculate totals.

As the total guarantees balance was less than 4.0% of total revenues, it did not meet the threshold for testing. As such, procedure was not performed.

13. We were asked to select a sample of five contractual agreements pertaining to revenues derived from guaranteed contests during the reporting period and compare and agree each selection to the Institution's general ledger and the statements, and to recalculate totals.

As the total guarantees balance was less than 4.0% of total revenues, it did not meet the threshold for testing. As such, procedure was not performed.

Contributions

14. We were asked to obtain a detailed listing of contributions of moneys, goods or services received directly by the Department from any affiliated or outside organization, agency or group of individuals (two or more) or single person not included above (e.g., contributions by corporate sponsors) that constituted 10% or more in aggregate for the reporting year of all contributions received for the Institution for the year ended June 30, 2019 and reviewed supporting documentation for each contribution, and to recalculate totals.

As the total contributions balance was less than 4.0% of total revenues, it did not meet the threshold for testing. As such, procedure was not performed.

In-Kind

15. We were asked to compare the in-kind recorded by the Institution during the reporting period with a schedule of in-kind donations and to recalculate totals.

As the total in-kind balance was less than 4.0% of total revenues, it did not meet the threshold for testing. As such, procedure was not performed.

Compensation and Benefits Provided by a Third Party

16. We were asked to obtain the summary of revenues from affiliated and outside organizations (the Summary) as of the end of the reporting period from the Institution and to recalculate totals.

As there was no compensation and benefits provided by a third party for the year ended June 30, 2019, this procedure was not performed.

17. We were asked to select a sample of five funds from the Summary and compare and agree each selection to supporting documentation, the Institution's general ledger and the Statements.

As there was no compensation and benefits provided by a third party for the year ended June 30, 2019, this procedure was not performed.

18. If the third party was audited by independent auditors, we were asked to obtain the related independent auditors' report.

As there was no compensation and benefits provided by a third party for the year ended June 30, 2019, this procedure was not performed.

Media Rights

19. We were asked to obtain and inspect agreements to understand the institution's total media (broadcast, television, radio) rights received by the institution or through their conference offices.

As the total media rights balance was less than 4.0% of total revenues, it did not meet the threshold for testing. As such, procedure was not performed.

20. We were asked to compare and agree related revenues to the Institution's general ledger and to the statements. Ledger totals may be different for total conference distributions if media rights are not broken out separately. We were asked to recalculate totals.

As the total media rights balance was less than 4.0% of total revenues, it did not meet the threshold for testing. As such, procedure was not performed.

NCAA Distributions

21. We were asked to compare the amounts recorded in the revenue and expense reporting to general ledger detail for NCAA distributions and other corroborative supporting documents, and to recalculate totals.

As the total NCAA distributions balance was less than 4.0% of total revenues, it did not meet the threshold for testing. As such, procedure was not performed.

Conference Distributions

22. We were asked to obtain and inspect agreements related to the institution's conference distributions and participation in revenues from tournaments during the reporting period to gain an understanding of relevant terms and conditions.

As the total conference distributions balance was less than 4.0% of total revenues, it did not meet the threshold for testing. As such, procedure was not performed.

23. We were asked to compare and agree the related revenues to the institution's general ledger, and the statements and recalculate totals.

As the total conference distributions balance was less than 4.0% of total revenues, it did not meet the threshold for testing. As such, procedure was not performed.

Program Sales, Concessions, Novelty Sales and Parking

24. We were asked to compare the amount recorded in the revenue reporting category to a general ledger detail of program sales, concessions, novelty sales and parking as well as any other corroborative supporting documents, and to recalculate totals.

As the total program sales, concessions, novelty sales and parking balance was less than 4.0% of total revenues, it did not meet the threshold for testing. As such, procedure was not performed.

Royalties, Advertisements and Sponsorships

25. We were asked to select a sample of five agreements and obtain and inspect agreements related to the institution's participation in revenues from royalties, licensing, advertisements and sponsorships during the reporting period to gain an understanding of the relevant terms and conditions.

As the total royalties, advertisements and sponsorships balance was less than 4.0% of total revenues, it did not meet the threshold for testing. As such, procedure was not performed.

26. We were asked to compare and agree the related revenues to the institution's general ledger and/or the Statements and to recalculate totals.

As the total royalties, advertisements and sponsorships balance was less than 4.0% of total revenues, it did not meet the threshold for testing. As such, procedure was not performed.

Sports Camp Revenues

27. We were asked to select a sample of five sports camps and inspected sports-camp contracts between the institution and persons conducting institutional sports-camps or clinics during the reporting period to obtain an understanding of the Institution's methodology for recording revenues from sports-camps.

As the total sports camp revenues balance was less than 4.0% of total revenues, it did not meet the threshold for testing. As such, procedure was not performed.

28. We were asked to obtain schedules of camp participants.

As the total sports camp revenues balance was less than 4.0% of total revenues, it did not meet the threshold for testing. As such, procedure was not performed.

29. We were asked to select a sample of five individual camp participant cash receipts from the schedule of sports-camp participants and agreed each selection to the Institution's general ledger, and the Statements, and to recalculate totals.

As the total sports camp revenues balance was less than 4.0% of total revenues, it did not meet the threshold for testing. As such, procedure was not performed.

Athletics Restricted Endowment and Investment Income

30. We were asked to obtain and inspect five endowment agreements to gain an understanding of the relevant terms and conditions.

As the total athletics restricted endowment and investment income balance was less than 4.0% of total revenues, it did not meet the threshold for testing. As such, procedure was not performed.

31. We were asked to compare and agree the classification and use of endowment and investment income reported in the Statements during the reporting period to the uses of income deferred within the related endowment agreements. We were asked to recalculate totals.

As the total athletics restricted endowment and investment income balance was less than 4.0% of total revenues, it did not meet the threshold for testing. As such, procedure was not performed.

Other

32. We were asked to perform minimum agreed upon procedures for all revenue categories and recalculate totals.

As the total other balance was less than 4.0% of total revenues, it did not meet the threshold for testing. As such, procedure was not performed.

Bowl Revenues

33. We were asked to obtain and inspect a sample of five agreements related to the institution's revenues from post-season bowl participation during the reporting period to gain an understanding of relevant terms and conditions.

As there was no bowl revenues for the year ended June 30, 2019, this procedure was not performed.

34. We were asked to compare and agree the related revenues to the institution's general ledger and/or the statement and recalculate totals.

As there was no bowl revenues for the year ended June 30, 2019, this procedure was not performed.

D. Expenses

<u>Procedure</u>	<u>Result</u>
All Expense Categories	
1. Compared and agreed each expense category reported in the Statements during the reporting period to supporting schedules provided by the Institution.	No exceptions noted.
2. Compared and agreed a sample of five expenses obtained from the operating expense supporting schedules, referred to in the procedure above, to adequate supporting documentation.	See procedures performed in specific expense categories.
3. Compared each major expense account over 10% of the total expenses to prior period amounts and to budget estimates. We obtained and documented an understanding of any variances greater than 10%.	We compared actual expenses reported on the Statements for the year ended June 30, 2019, to those for the year ended June 30, 2018, and to the budgeted amounts. We noted that there were no fluctuations greater than 10% and over scope.

Budget to Actual:

We noted during our testing that the budget is adopted on a basis that is slightly different from that of the Statements. As such, the comparison performed used budget and actual amounts that are grouped differently than the Statements and does not include all revenues and expenses on the Statements. This is not an exception, as the Department is not required to adopt a budget based on the reporting categories in the Statements. No fluctuations were greater than 10% and over scope noted in the procedures.

<u>Procedure</u>	<u>Result</u>
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Athletic Student Aid

4. We were asked to select a sample of students (no less than 10% of the total student athletes, with a maximum sample size of 40, as the institution uses the NCAA's Compliance Assistant software to prepare athletic aid detail) from the listing of institutional student aid recipients during the reporting period. Data was captured by the institution through the creation of a squad list for each sponsored sport.
5. We were asked to obtain individual student account detail for each selection and compared total aid allocated from the related aid award letter to the student's account.

6. We were asked to recalculate totals for each sport and overall.
- No exceptions noted.

Guarantees

7. We were asked to select a sample of five visiting institution's away-game settlement reports received by the institution during the reporting period and agree related expenses to the Institution's general ledger and the statements.
- As the total guarantees balance was less than 4.0% of total expenses, it did not meet the threshold for testing. As such, procedure was not performed.
8. We were asked to select a sample of five contractual agreements pertaining to expenses recorded by the Institution from guaranteed contests during the reporting period. We were asked to compare and agree related amounts expensed by the institution during to the institution's general ledger and the Statement, and to recalculate totals.
- As the total guarantees balance was less than 4.0% of total expenses, it did not meet the threshold for testing. As such, procedure was not performed.

Coaching Salaries, Benefits, and Bonuses Paid by the University and Related Entities

9. We were asked to obtain and inspect a listing of coaches employed by the institution and related entities during the reporting period.
- No exceptions noted.
10. We were asked to select a sample of five coaches' contracts or annual salary letter that included football, and men's and women's basketball from the above listing.
- No exceptions noted. Note that the Institution does not have a football team. As such, no contract for the head football coach was reviewed.
11. We were asked to compare and agree the financial terms and conditions of each selection to the related coaching salaries, benefits, and bonuses recorded by the Institution and related entities in the Statements during the reporting period.
- No exceptions noted.
12. We were asked to obtain and inspect payroll summary registers for the reporting year for each selection.
- No exceptions noted.
13. We were asked to compare and agree payroll summary registers from the reporting period to the related coaching salaries, benefits and bonuses paid by the institution and related entities expense recorded by the Institution in the Statements during the reporting period for each selection.
- No exceptions noted.

14. We were asked to compare and agree the totals recorded to any employment contracts executed for the sample selected.

No exceptions noted.

15. We were asked to recalculate totals.

No exceptions noted.

Coaching Other Compensation and Benefits Paid by a Third Party

16. We were asked to obtain and inspect a listing of coaches employed by third parties during the reporting period.

As there was no other compensation and benefits paid by a third party for the year ended June 30, 2019, this procedure was not performed.

17. We were asked to select a sample of five coaches that must include football, men's, and women's basketball from the listing and agree the financial terms and conditions of each selection to the related coaching other compensation and benefits paid by a third party and recorded by the Institution in the Statements during the reporting period.

As there was no other compensation and benefits paid by a third party for the year ended June 30, 2019, this procedure was not performed.

18. We were asked to obtain and inspect reporting period payroll summary registers for each selection.

As there was no other compensation and benefits paid by a third party for the year ended June 30, 2019, this procedure was not performed.

19. We were asked to obtain and agree related payroll summary register to the coaching other compensation and benefits paid by a third party expenses recorded by the Institution in the Statements during the reporting period for each selection. We were asked to recalculate totals.

As there was no other compensation and benefits paid by a third party for the year ended June 30, 2019, this procedure was not performed.

Support Staff/Administrative Salaries, Benefits and Bonuses Paid by the University and Related Entities

20. We were asked to select a sample of five support staff/administrative personnel employed by the institution and related entities during the reporting period.

No exceptions noted.

21. We were asked to obtain and inspect reporting period summary payroll register for each selection.

No exceptions noted.

22. We were asked to compare and agree related summary payroll register to the related support staff/administrative salaries, benefits and bonuses paid by the Institution and related entities expense recorded by the Institution in the Statements during the reporting period for each selection, and to recalculate totals.

No exceptions noted.

Support Staff/Administrative Other Compensation and Benefits Paid by a Third Party

23. We were asked to select a sample of five support staff/administrative personnel employed by the third parties during the reporting period.

As there was no compensation and benefits paid by a third party for the year ended June 30, 2019, this procedure was not performed.

24. We were asked to obtain and inspect reporting period payroll summary registers for each selection.

As there was no compensation and benefits paid by a third party for the year ended June 30, 2019, this procedure was not performed.

25. We were asked to compare and agree related payroll summary registers to the related support staff/administrative other compensation and benefits expense recorded by the Institution in the Statements during the reporting period for each selection, and to recalculate totals.

As there was no compensation and benefits paid by a third party for the year ended June 30, 2019, this procedure was not performed.

Severance Payments

26. We were asked to select a sample of five employees receiving severance payments by the institution during the reporting period and agree each severance payment to the related termination letter or employment contract, and to recalculate totals.

As there were no severance payments for the year ended June 30, 2019, this procedure was not performed.

Recruiting

27. We were asked to obtain and document an understanding of the Institution's recruiting expense policies.

As the total recruiting balance was less than 4.0% of total expenses, it did not meet the threshold for testing. As such, procedure was not performed.

28. We were asked to compare and agree to existing institutional and NCAA-related policies.

As the total recruiting balance was less than 4.0% of total expenses, it did not meet the threshold for testing. As such, procedure was not performed.

29. We were asked to obtain the general ledger detail and compare to the total expenses reported.

As the total recruiting balance was less than 4.0% of total expenses, it did not meet the threshold for testing. As such, procedure was not performed.

Team Travel

30. We were asked to obtain and document an understanding of the Institution's team travel policies. No exceptions noted.
31. We were asked to compare and agree to existing institutional and NCAA-related policies. No exceptions noted.
32. We were asked to obtain the general ledger detail and compare to the total expenses reported. No exceptions noted.

Equipment, Uniforms and Supplies

33. We were asked to obtain the general ledger detail and compared to the total expenses reported. Selected a sample of five transactions to validate existence of transaction and accuracy of recording, and to recalculate totals. No exceptions noted.

Game Expenses

34. We were asked to obtain the general ledger detail and compared to the total expenses reported, select a sample of five transactions to validate existence of transaction and accuracy of recording, and to recalculate totals.

As the total game expenses balance was less than 4.0% of total expenses, it did not meet the threshold for testing. As such, procedure was not performed.

Fund Raising, Marketing and Promotion

35. We were asked to obtain the general ledger detail and compare to the total expenses reported, select a sample of five transactions to validate existence of transaction and accuracy of recording, and to recalculate totals.

As the total fund raising, marketing and promotion balance was less than 4.0% of total expenses, it did not meet the threshold for testing. As such, procedure was not performed.

Sports Camp Expenses

36. We were asked to obtain the general ledger detail and compare to the total expenses reported, select a sample of five transactions to validate existence of transaction and accuracy of recording, and to recalculate totals.

As the total sports camp expenses balance was less than 4.0% of total expenses, it did not meet the threshold for testing. As such, procedure was not performed.

Spirit Groups

37. We were asked to obtain general ledger detail and compare to the total expenses reported, select a sample of five transactions to validate existence of transaction and accuracy of recording, and to recalculate totals.

As there were no spirit group expenses for the year ended June 30, 2019, this procedure was not performed.

Athletic Facility Debt Service, Leases and Rental Fees

38. We were asked to obtain a listing of debt service schedules, lease payments and rental fees for athletics facilities for the reporting year, and to compare a sample of five facility payments, including the top two highest facility payments, to additional supporting documentation (e.g. debt financing agreements, leases, rental agreements.) No exceptions noted.
39. We were asked to compare amounts recorded to amounts listed in the general ledger detail for each selection and recalculate totals. No exceptions noted.

Direct Overhead and Administrative Expenses

40. We were asked to obtain general ledger detail and compare to the total expenses reported, select a sample of five transactions to validate existence of transaction and accuracy of recording, and to recalculate totals. As the total direct overhead and administrative expenses balance was less than 4.0% of total expenses, it did not meet the threshold for testing. As such, procedure was not performed.

Indirect Institutional Support

41. Tested with revenue section – Indirect Institutional Support. As the total indirect institutional support balance was less than 4.0% of total expenses, it did not meet the threshold for testing. As such, procedure was not performed.

Medical Expenses and Medical Insurance

42. We were asked to obtain the general ledger detail and compare to the total expenses reported, select a sample of five transactions to validate existence of transaction and accuracy of recording, and to recalculate totals.

As the total medical expenses and medical insurance balance was less than 4.0% of total expenses, it did not meet the threshold for testing. As such, procedure was not performed.

Memberships and Dues

43. We were asked to obtain the general ledger detail and compare to the total expenses reported, select a sample of five transactions to validate existence of transaction and accuracy of recording, and to recalculate totals.

As the total memberships and dues balance was less than 4.0% of total expenses, it did not meet the threshold for testing. As such, procedure was not performed.

Other Operating Expenses and Transfers to Institution

44. We were asked to obtain the general ledger detail and compare to the total expenses reported, select a sample of five transactions to validate existence of transaction and accuracy of recording, and to recalculate totals.

As the total other operating expenses and transfers to institution balance was less than 4.0% of total expenses, it did not meet the threshold for testing. As such, procedure was not performed.

Student-Athlete Meals (Non-Travel)

45. We were asked to obtain the general ledger detail and compare to the total expenses reported, select a sample of five transactions to validate existence of transaction and accuracy of recording, and recalculate totals.

As there were no student-athlete meal expenses for the year ended June 30, 2019, this procedure was not performed.

Bowl Expenses

46. We were asked to obtain the general ledger detail and compare to the total expenses reported, select a sample of five transactions to validate existence of transaction and accuracy of recording, and recalculate totals.

As there were no bowl expenses for the year ended June 30, 2019, this procedure was not performed.

E. Minimum Agreed Upon Procedures for Other Reporting Items

Excess Transfers to Institution and Conference Realignment Expenses

1. We were asked to obtain general ledger detail and compare it to total expenses reported, as well as select a sample of five transactions to validate existence and accuracy of recording, and recalculate totals. As there were no excess transfers to institution and conference realignment expenses for the year ended June 30, 2019, the procedure was not performed.

Total Athletics Related Debt

2. We were asked to obtain repayment schedules for all outstanding intercollegiate athletics debt during the reporting period, and to recalculate annual maturities (consisting of principal and interest) provided in schedules obtained. No exceptions noted.
3. We were asked to agree total annual maturities and total outstanding athletic related debt to supporting documentation and the institution's general ledger. No exceptions noted.

Total Institutional Debt

4. We were asked to agree the total outstanding institutional debt to supporting documentation and the institution's audited final statements (or institution's general ledger). No exceptions noted.

Value of Athletics Dedicated Endowment

5. We were asked to obtain the schedule of all athletics dedicated endowments maintained by the affiliated organization (University of Colorado Foundation) and to agree the fair market value in the schedule to supporting documentation. No exceptions noted.

Value of Institutional Endowments

6. We were asked to agree the total fair market value of institutional endowments to audited financial statements. No exceptions noted.

Total Athletics Related Capital Expenditures

7. We were asked to obtain the schedule of athletics related capital expenditures made by athletics, the institution, and affiliated organizations during the reporting period.
8. We were asked to obtain the general ledger detail and compared to the total expenses reported, select a sample of five transactions to validate existence of transaction and accuracy of recording, and to recalculate totals. No exceptions noted.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants.

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 Statements of Revenues and Expenses of the Intercollegiate Athletics Department of the University for the year ended June 30, 2019. 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 specified parties listed above 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 upon release by the Legislative Audit Committee.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Denver, Colorado
January 9, 2020

**UNIVERSITY OF COLORADO COLORADO SPRINGS
INTERCOLLEGIATE ATHLETICS DEPARTMENT
STATEMENT OF REVENUES AND EXPENSES
For the Year Ended June 30, 2019 (Unaudited)**

Revenues

1	Ticket sales	\$ 12,402
2	Direct state or other govt support	-
3	Student fees	2,775,935
4	Direct institutional support	3,232,633
5	Less - transfers to institution	-
6	Indirect institutional support	211,018
6A	Indirect inst facilities debt	-
7	Guarantees	19,000
8	Contributions	142,652
9	In Kind	16,600
10	Compensation and benefits provided by a third party	-
11	Media Rights	-
12	NCAA distributions	56,568
13	Conference distributions	-
14	Program, novelty, parking and concession sales	-
15	Royalties, Lic, Ad, Sponsorships	-
16	Sports camp revenue	163,830
17	Athletic endowment/investment income	2,991
18	Other operating rev	99,630
19	Bowl revenue	-
	Total revenues	<u>6,733,259</u>

Expenses

20	Athletic student aid	2,167,662
21	Guarantees	2,500
22	Coaching salaries, benefits and bonuses paid by the university and related entities	1,418,177
23	Coaching other compensation and benefits paid by a third party	-
24	Support staff and administrative salaries, benefits and bonuses paid by the university and related entities	655,422
25	Support staff and administrative other compensation paid by a third party	-
26	Severance payments	-
27	Recruiting	222,396
28	Team travel	610,334
29	Sports equipment, uniforms and supplies	286,961
30	Game expenses	97,933
31	Fund raising, marketing and promotion	11,950
32	Sports camp expenses	68,272
33	Spirit groups	-
34	Athletic facilities debt service, leases, and rental	292,966
35	Direct overhead and admin	46,470
36	Indirect institutional support	211,018
37	Medical expenses and insurance	42,103
38	Memberships and dues	42,847
39	Student athlete meals	-
40	Other operating expenses	91,816
41	Bowl expenses	-
	Total expenses	<u>6,268,827</u>

Surplus of revenues over expenses

\$ 464,432

See accompanying notes to the statement of revenues and expenses.

**UNIVERSITY OF COLORADO COLORADO SPRINGS
INTERCOLLEGIATE ATHLETICS DEPARTMENT
STATEMENTS OF REVENUES AND EXPENSES BY SPORT
For the Year Ended June 30, 2019 (Unaudited)**

	Women's Lacrosse	Women's Baseball	Women's Golf	XC/Track and Field	Women's Soccer	Men's Soccer	Women's Basketball	Men's Basketball	Volleyball	Softball	Other	Total
Revenues												
1 Ticket sales	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,402	\$ 12,402
2 Direct state or other govt support												
3 Student fees	134,196	214,254	101,809	122,283	450,762	201,365	120,650	201,808	273,686	150,897	134,217	670,008 2,775,935
4 Direct institutional support	133,000	176,500	74,000	78,750	589,000	219,250	164,250	230,313	294,128	151,500	145,971	975,971 3,232,633
5 Less - transfers to institution	-	-	-	-	-	-	-	-	-	-	-	-
6 Indirect institutional support	11,039	19,460	8,137	9,588	39,994	19,821	14,222	16,770	24,143	12,062	11,019	24,763 211,018
6A Indirect institutional support - Debt Service, Lease and Rental Fees	-	-	-	-	-	-	-	-	-	-	-	-
7 Guarantees	-	-	-	-	-	-	-	-	9,000	10,000	-	19,000
8 Contributions	1,963	8,803	-	-	14,157	10,417	4,809	918	24,984	823	691	75,087 142,652
9 In-Kind	-	-	-	-	-	-	-	-	-	-	-	16,600 16,600
10 Compensation and benefits provided by a third party	-	-	-	-	-	-	-	-	-	-	-	-
11 Media Rights	-	-	-	-	-	-	-	-	-	-	-	-
12 NCAA distributions	-	-	-	-	-	-	-	-	-	-	-	56,568 56,568
13 Conference distributions	-	-	-	-	-	-	-	-	-	-	-	-
14 Program, novelty, parking and concession sales	-	-	-	-	-	-	-	-	-	-	-	-
15 Royalties, Lic, Ad, Sponsorships	-	-	-	-	-	-	-	-	-	-	-	-
16 Sports camp revenues	5,800	36,795	-	-	10,855	25,990	60,610	170	8,820	-	14,790	- 163,830
17 Athletic endowment/investment	-	-	-	-	-	-	-	-	-	-	-	2,991
18 Other operating revenues	3,603	6,535	-	87	10,468	2,201	-	-	8	65	-	76,665 99,630
19 Bowl revenues	-	-	-	-	-	-	-	-	-	-	-	-
Total revenues	289,601	462,347	183,946	210,708	1,115,236	479,044	364,541	458,979	635,769	315,347	309,679	1,908,064 6,733,259
Expenses												
20 Athletic student aid	132,000	174,500	72,000	78,750	553,500	199,750	158,250	227,313	280,128	148,500	142,971	- 2,167,662
21 Guarantees	-	-	-	-	-	-	-	-	-	-	-	2,500 2,500
22 Coaching salaries, benefits and bonuses paid by the university and related entities	76,786	131,230	44,144	43,188	354,909	157,745	108,576	131,020	207,351	83,969	76,260	3,000 1,418,177
23 Coaching other compensation and benefits paid by a third party	-	-	-	-	-	-	-	-	-	-	-	-
24 Support staff and administrative salaries, benefits and bonuses paid by the university and related entities	-	-	-	-	-	-	-	-	-	-	2,990	652,432 655,422
25 Support staff and administrative other compensation paid by a third party	-	-	-	-	-	-	-	-	-	-	-	-
26 Severance payments	-	-	-	-	-	-	-	-	-	-	-	-
27 Recruiting	20,773	16,966	1,290	4,555	36,048	21,358	17,753	8,698	31,622	20,679	369	42,287 222,396
28 Team travel	17,225	39,812	41,870	47,206	56,158	27,756	23,602	44,765	48,141	24,919	35,734	203,147 610,334
29 Sports equipment, uniforms and supplies	15,531	28,393	8,250	16,090	32,650	15,844	1,302	8,715	3,305	10,334	12,365	134,182 286,961
30 Game expenses	-	-	-	-	-	-	-	-	-	-	-	97,933 97,933
31 Fund raising, marketing and promotion	124	562	-	-	17	1,910	-	148	591	106	135	8,356 11,950
32 Sports camp expenses	-	18,378	-	-	-	16,514	20,519	163	8,247	-	4,452	- 68,272
33 Spirit groups	-	-	-	-	-	-	-	-	-	-	-	-
34 Athletic facilities debt service, leases, and rental	-	-	-	-	-	-	-	-	-	-	-	292,966 292,966
35 Direct overhead and admin	112	408	-	-	1,868	102	-	-	60	50	60	43,810 46,470
36 Indirect institutional support	11,039	19,460	8,137	9,588	39,994	19,821	14,222	16,770	24,143	12,062	11,019	24,763 211,018
37 Medical expenses and insurance	24	59	-	-	965	-	-	-	550	218	-	40,286 42,103
38 Memberships and dues	309	405	72	1,275	1,058	1,303	400	1,712	5,204	582	140	30,387 42,847
39 Student athlete meals	-	-	-	-	-	-	-	-	-	-	-	-
40 Other operating expenses	952	1,532	108	480	1,004	1,072	30	3,057	325	1,866	823	80,566 91,816
41 Bowl expenses	-	-	-	-	-	-	-	-	-	-	-	-
Total expenses	274,875	431,705	175,871	201,132	1,078,171	463,175	344,654	442,361	609,667	303,285	287,318	1,656,615 6,268,827
Surplus of revenues over expenses	\$ 14,726	\$ 30,642	\$ 8,075	\$ 9,576	\$ 37,065	\$ 15,869	\$ 19,887	\$ 16,618	\$ 26,102	\$ 12,062	\$ 22,361	\$ 251,449 \$ 464,432

See accompanying notes to the statement of revenues and expenses.

**UNIVERSITY OF COLORADO COLORADO SPRINGS
DEPARTMENT OF INTERCOLLEGIATE ATHLETICS
NOTES TO STATEMENTS OF REVENUES AND EXPENSES
FOR THE YEAR ENDED JUNE 30, 2019 (Unaudited)**

1. BASIS OF ACCOUNTING

The accompanying statements of revenues and expenses present the results of financial activity of the University of Colorado (the University) at the Intercollegiate Athletics Department of the University of Colorado Colorado Springs (the Department) and are not intended to present the operations of the University as a whole.

The accompanying statement of revenues and expenses and statement of revenues and expenses by sport have been prepared on the accrual basis of accounting and in conformity with accounting principles generally accepted in the United States of America except for the reporting of debt service payments. Under the accrual basis of accounting, revenues are recognized when earned, expenses are recorded when an obligation is incurred, and loans are not recorded as revenue, but rather as a debt transaction. Yet, when debt payments are made, this is reported as an expense in the Statements.

For reporting purposes, the sports in which the University participates are reported separately. The administrative functions of the Department, which support all sports, have been combined and reported within the other category.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of the more significant accounting policies of the Department, which affect significant elements of the accompanying statement of revenues and expenses.

Revenues - Revenues from operations have been allocated based on management's estimate of which sport generated the income. Gifts have been allocated as directed by the donor. Financial aid support has been allocated based on the actual payments made in support of each activity.

Revenues received during a given fiscal year but not expended were either used to cover prior year deficits or are carried forward for use by the Department in future fiscal years, including repayment of the internal campus loans received in prior years.

Capital Assets - Capital assets are stated at cost at the date of acquisition or fair value at the date of donation on the University's financial statements. For equipment, the capitalization policy includes all items with a value of \$5,000 or more, and an estimated useful life of greater than one year. Renovations to buildings and other improvements that significantly increase the value or extend the useful life of the structure are capitalized. Routine repairs and maintenance are charged to operating expense in the Statements.

The Department follows the University of Colorado Fiscal Procedures for acquiring and approving intercollegiate athletics-related assets and follows University campus policies and procedures for disposing of intercollegiate athletics-related assets.

Depreciation is computed using the straight-line method and monthly convention over the estimated useful lives of the assets as displayed in the following table.

**UNIVERSITY OF COLORADO COLORADO SPRINGS
DEPARTMENT OF INTERCOLLEGIATE ATHLETICS
NOTES TO STATEMENTS OF REVENUES AND EXPENSES
FOR THE YEAR ENDED JUNE 30, 2019 (Unaudited)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Asset Class	Years
Buildings	12 – 50*
Improvements other than buildings	10 – 40
Equipment	2 – 17

* Certain buildings are componentized and the components may have useful lives similar to Improvements or Equipment

3. CAPITAL ASSETS

The following table presents changes in the Department's capital assets and accumulated depreciation for the year ended June 30, 2019. There were no capital expenditures related to athletics for the year ended June 30, 2019.

	<i>Beginning Balance</i>	<i>Additions</i>	<i>Decreases</i>	<i>Ending Balance</i>
<i>Depreciable Capital Assets</i>				
Buildings	\$ 13,797,435	\$ 9,086,698	\$ -	\$ 22,884,133
Improvements Other Than Buildings	292,293	-	-	292,293
Equipment	401,100	110,667	-	511,767
Total Depreciable Assets:	\$ 14,490,828	\$ 9,197,365	\$ -	\$ 23,688,193
<i>Less Accumulated Depreciation For:</i>				
Buildings	1,767,888	363,866	-	2,131,754
Improvements Other Than Buildings	4,872	14,615	-	19,487
Equipment	64,030	48,050	-	112,080
Total Accumulated Depreciation:	\$ 1,836,790	\$ 426,531	\$ -	\$ 2,263,321
Total Net Capital Assets:	\$ 12,654,038	\$ 8,770,834	\$ -	\$ 21,424,872

4. CONCENTRATION OF DONOR SOURCES

The University of Colorado Foundation was the single largest donor source to the Department with cash contributions of \$140,652, for a total of 97% of total contributions, endowments donations and investment income for the year ended June 30, 2019. The cash contributions received from the Foundation represent gifts from various donors made for the benefit of the Department.

**UNIVERSITY OF COLORADO COLORADO SPRINGS
DEPARTMENT OF INTERCOLLEGIATE ATHLETICS
NOTES TO STATEMENTS OF REVENUES AND EXPENSES
FOR THE YEAR ENDED JUNE 30, 2019 (Unaudited)**

5. LONG-TERM OBLIGATIONS

The following table presents a general description of each revenue bond and the loans issued related to the Department, including its original issuance amount and changes for the year ended June 30, 2019.

Description	Original Issuance Amount	Balance 2018	Additions	Retirements	Balance 2019
Enterprise System Revenue					
Refunding Bonds, Series 2009C: Used to refund a portion of the Refunding Series					
2001A - UC	\$ 319,920	\$ 199,080	\$ -	\$ (21,512)	\$ 177,568
Premium	18,976	5,404	-	(1,151)	4,253
Enterprise System Revenue					
Remaining Revenue Series 2009A: Event Center	585,000	155,000	-	(155,000)	-
Premium	6,018	545	-	(545)	-
Enterprise System Revenue					
Refunding Bonds, Series 2014B-1: Used to refund a portion of the Refunding Series 2009A Event Center	1,475,000	1,435,000	-	(5,000)	1,430,000
Premium	225,842	197,839	-	(7,285)	190,554
Enterprise System Revenue					
Refunding Bonds, Series 2015A: Used to refund a portion of the Refunding Series					
2009A Event Center	3,785,000	3,715,000	-	(15,000)	3,700,000
Premium	560,106	456,974	-	(31,379)	425,595
Enterprise System Revenue					
Revenue Bonds, Series 2018B: Indoor Baseball Practice Facility and Field	5,130,000	5,130,000	-	-	5,130,000
Premium	672,298	672,298	-	(21,961)	650,337
<i>Total Bonds Payable:</i>					
<i>Including Premium</i>	<u>\$ 12,778,160</u>	<u>\$ 11,967,140</u>	<u>\$ -</u>	<u>\$ (258,833)</u>	<u>\$ 11,708,307</u>
<i>Less Premium</i>					<u>(1,270,739)</u>
					<u>\$ 10,437,568</u>

All University revenue bonds are special limited obligations of the University's governing Board of Regents (the Regents) and are payable solely from the pledged revenues (or the net income of the facilities, as defined in the bond resolution). The revenue bonds are not secured by any encumbrance, mortgage, or other pledge of property, except pledged revenues, and do not constitute general obligations of the Regents.

**UNIVERSITY OF COLORADO COLORADO SPRINGS
DEPARTMENT OF INTERCOLLEGIATE ATHLETICS
NOTES TO STATEMENTS OF REVENUES AND EXPENSES
FOR THE YEAR ENDED JUNE 30, 2019 (Unaudited)**

5. LONG-TERM OBLIGATIONS (CONTINUED)

The University revenue bonds contain provisions to establish and maintain reasonable fees, rates and other charges to ensure gross revenues are sufficient for debt service coverage. The University is also required to comply with various other covenants while the bonds are outstanding. These covenants, among other things, restrict the disposition of certain assets, require the Regents to maintain adequate insurance, and require the Regents to continue to operate the underlying programs. Management of the University believes the University has met all debt service coverage ratios and has complied with all bond covenants.

The University Treasury issued internal loans to the Department to cover the unpaid costs of prior financing and other multi-projects.

As of June 30, 2019, institutional debt totaled \$316,368,798. Of this amount, \$10,437,568 was athletics related debt.

Debt service requirements for the Department at June 30, 2019, were as follows:

Year Ended June 30	Revenue Bonds		
	Principal	Interest	Total
2020	\$ 277,687	\$ 486,502	\$ 764,186
2021	303,860	473,145	777,002
2022	319,251	461,991	781,239
2023	330,030	446,571	776,601
2024-2028	1,821,740	1,999,502	3,821,242
2029-2033	2,140,000	1,559,000	3,699,000
2034-2038	2,665,000	1,036,550	3,701,550
2039-2043	1,130,000	537,500	1,667,500
2044-2048	1,450,000	225,000	1,675,000
Total	\$ 10,437,568	\$ 7,225,761	\$ 17,663,320

6. ENDOWMENTS

As of June 30, 2019 institutional endowments (held at the University of Colorado Foundation) totaled \$3,339,964. Of this amount, \$1,085,171 was UCCS athletics dedicated endowments.