

**COLORADO STATE UNIVERSITY - PUEBLO
DEPARTMENT OF INTERCOLLEGIATE ATHLETICS**

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

For the Year Ended June 30, 2019

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Independent Accountants' Report on Applying NCAA Agreed-Upon Procedures

Members of the Legislative Audit Committee
Denver, Colorado

We have performed the procedures enumerated below, which were agreed to by the management of the Colorado State University - Pueblo (the University) and the Legislative Audit Committee, solely to assist you in evaluating whether the accompanying Statements of Revenues and Expenses (the Statements) of the Colorado State University - Pueblo Intercollegiate Athletics Department (the Department) is 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. 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 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.
2. We obtained a listing of all Department personnel. From that list, we selected three individuals: the head baseball coach, the head women's lacrosse coach, and the head football coach, and performed the following, noting no exceptions:
 - Determined whether the individual participated in the annual meeting when the Chancellor reviews the compliance regulations with the athletic staff.
 - We contacted the individuals selected to inquire whether they understand their responsibilities for NCAA compliance, monitoring compliance and reporting violations.

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 Colorado State University - Pueblo 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 the audited financial statements and required communications to governance letter for the Foundation for the year ended June 30, 2019. We noted no material weaknesses in the reports which would need to be disclosed in the notes to the Statements.
4. We noted \$2,011 in expenditures was paid by the Foundation on behalf of the Department to outside vendors per communication with the Foundation.

C. Revenues

Procedure

Result

All Revenue Categories

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| 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 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 obtained explanations from management for line item variances exceeding 10% from the prior year and from the budget. No additional procedures were performed with respect to management's representations as to the reasons for the variances. The variances meeting the threshold for explanation are as follows: |

Current Year to Prior Year:

Contributions – The \$670,056 (62.7%) increase in contribution revenues is due to the contributions from the CSU Pueblo Foundations being increased to meet the expenditures of the Athletic Department and to close the overall deficit.

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. The following revenues had variances over 10% of total revenue:

Contributions – The budget for Fiscal Year 2019 was built by the previous Athletic Director. The previous Athletic Director did not include contributions in the budget. In general, about 55% of total funding comes from Direct Institutional Support and 17% from Student Fees, and the remainder must be fundraised to cover the year's funding needs, which is reflected in contributions. The current Athletic Director has plans to include contributions in the budget in future years. This caused a \$1,738,607 variance between the budget and actual for fiscal year 2019.

Direct Institutional Support – The budget for Direct Institutional Support was \$4,648,085 and actual \$4,146,377 or a variance of \$464,808. The amount budgeted includes about \$542,000 attributable to Contributions and does not include the additional support received related to the 2-3% salary increase that occurred mid-year.

Procedure

Result

Ticket Sales

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| 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. |
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Student Fees

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| 5. We were asked to compare and agree the budget student fees reported by the Department in the Statements for the reporting period to the budgeted student enrollments during the same reporting period and to recalculate totals. | No exceptions noted. We were able to recalculate budgeted student fees within \$98,455 (6.93%) and actual student fees within \$20,030 (1.54%). The budgeted student fees variance was larger due to budgeted enrollment being greater than actual by 293 students. |
| 6. We were asked to obtain and document an understanding of the University's methodology for allocating student fees to the Department. | The University charges each student a separate fee for athletics each year. In the 2019 fiscal year the standard athletic student fee that was charged to each student was \$14 per credit hour. |

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.

The University allocates student fees to each sport based on the ratio of budgeted Other Operating Expenses for each respective sport to the total budgeted Other Operating Expenses for the Athletics Department. We recalculated the totals for each sport based on the Department's methodology for allocation of student fees. 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 Department during the reporting period with the institutional supporting budget transfers documentation and other corroborative supporting documentation, and to recalculate totals.

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 Department during the reporting period with expense payments, cost allocation detail and other corroborative supporting documentation, and to recalculate totals.

As there was no indirect institutional support for the year ended June 30, 2019, this 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 Department'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 Department'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 Department for the year ended June 30, 2019 and reviewed supporting documentation for each contribution, and to recalculate totals. No exceptions noted.

In-Kind

15. We were asked to compare the in-kind recorded by the Department during the reporting period with a schedule of in-kind donations and to recalculate totals. As there was no in-kind revenue for the year ended June 30, 2019, this 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 Department 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 Department and compare and agree each selection to supporting documentation, the Department'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 Department's total media (broadcast, television, radio) rights received by the Department or through their conference offices. As there was no media rights revenue for the year ended June 30, 2019, this procedure was not performed.

20. We were asked to compare and agree related revenues to the Department'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 there was no media rights revenue for the year ended June 30, 2019, this 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 Department'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 Department'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 Department's methodology for recording revenues from sports-camps. No exceptions noted.
28. We were asked to obtain schedules of camp participants. No exceptions noted.
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 Department's general ledger, and the Statements, and to recalculate totals. No exceptions noted.

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 there was no athletics restricted endowment and investment income for the year ended June 30, 2019, this 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 there was no athletics restricted endowment and investment income for the year ended June 30, 2019, this 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

Procedure

Result

All Expense Categories

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| 1. Compared and agreed each expense category reported in the Statements during the reporting period to supporting schedules provided by the Department. | 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 obtained explanations from management for line item variances exceeding 10% from the prior year and from the budget. No additional procedures were performed with respect to management's representations as to the reasons for the variances. There were no variances greater than 10% from the prior year. The variances meeting the threshold for explanation are as follows: |

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. The following expenses had variances over 10% of budget:

Athletic Student Aid – The budget for Athletic Student Aid was \$1,824,386 and the actual \$2,587,549 or a variance of \$763,163. The Fiscal Year 2019 Budget was built by the previous Athletic Director with the budgeted amount for Athletic Student Aid expenses lower than the anticipated amount for the expenses. The current Athletic Director plans to build the budget more accurately in future years.

Salaries/Benefits – The budget for Salaries/Benefits was \$2,720,150 and the actual \$3,228,275 or a variance of \$508,125. Salaries have increased due to cost of living adjustments (2-3% increases), equity adjustments for administration, and an increased number of FTEs. These were not reflected in the budget at the start of Fiscal Year 2019 due to not being anticipated by the previous Athletic Director who created the budget. Also in Fiscal Year 2019, another university attempted to recruit the Head and Assistant football coaches, who were given \$40,000-75,000 each in retention increases to stay with CSU Pueblo. In addition, there were 16 department staff members who left in Fiscal Year 2019 and the Department had to pay out leave balances for those employees.

Other Operating – The budget for Other Operating was \$1,592,000 and the actual \$2,559,808 or a variance of \$967,808. This expense category includes all other expenses related to sports. The budget was set lower than expenses were expected to be in Fiscal Year 2019. The two sports that exceeded their individual budgets by the largest amounts were Football and Women’s Basketball, in part due to the low budgets and in part due to the Women’s Basketball program having high Team Travel expenses. In addition, Team Travel is the most unpredictable expense within this category, as it is driven by the conference schedule of each sport that determines the amount of travel the teams will require, which is not known at the time the budget is built by the Department.

Procedure

Result

Athletic Student Aid

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

Guarantees

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| 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 Department’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 Department 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

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| 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. |
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| 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. |
| 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 Department 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 Department 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

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| 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 Department 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 Department 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 Department and related entities expense recorded by the Department 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 Department 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

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| 27. We were asked to obtain and document an understanding of the Department'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

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| 30. We were asked to obtain and document an understanding of the University'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

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| 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. |
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Game Expenses

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| 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. |
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Fund Raising, Marketing and Promotion

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| 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. |
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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 the total spirit groups expenses balance was less than 4.0% of total expenses, it did not meet the threshold for testing. As such, 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.)

As the total athletic facility debt service, leases and rental fees balance was less than 4.0% of total expenses, it did not meet the threshold for testing. As such, procedure was not performed.

39. We were asked to compare amounts recorded to amounts listed in the general ledger detail for each selection and recalculate totals.

As the total athletic facility debt service, leases and rental fees balance was less than 4.0% of total expenses, it did not meet the threshold for testing. As such, procedure was not performed.

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 there were no indirect institutional support payments for the year ended June 30, 2019, this 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 the student-athlete meals balance was less than 4.0% of total expenses, it did not meet the threshold for testing. As such, 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. As the Department did not have athletics-related debt during the reporting period, procedure was not performed.
3. We were asked to agree total annual maturities and total outstanding athletic related debt to supporting documentation and the institution's general ledger. As the Department did not have athletics-related debt during the reporting period, procedure was not performed.

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-Pueblo 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. No exceptions noted.
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.

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 Legislative Audit Committee, the Colorado Office of the State Auditor, the Colorado State University Board of Governors, Colorado State University-Pueblo's Management, and the Colorado State University-Pueblo Intercollegiate Athletic Department and is not intended to be and should not be used by anyone other than those specified parties. However, upon release by the Legislative Audit Committee, this report is a public document.



CliftonLarsonAllen LLP

Denver, Colorado
December 20, 2019

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

	Football	Men's Basketball	Women's Basketball	Other Sports	Non Program Specific	Total
Revenues						
Ticket Sales	\$ 159,200	\$ 16,710	\$ 16,141	\$ 17,970	\$ 3,802	\$ 213,823
Student Fees	179,989	61,360	65,450	595,601	400,066	1,302,466
Guarantees	-	5,000	6,500	400	-	11,900
Contributions	625,898	30,938	30,928	478,459	572,384	1,738,607
In-Kind	-	-	-	-	-	-
Compensation and Benefits Provided by 3rd Party	-	-	-	-	-	-
Direct State or Other Government Support	-	-	-	-	-	-
Direct Institutional Support	895,386	290,126	290,026	1,726,210	944,629	4,146,377
Transfers Back to Institution	-	-	-	-	-	-
Indirect Institutional Support	-	-	-	-	-	-
NCAA Distributions	39,585	-	6,256	36,458	8,778	91,077
Conference Distributions (Non Media and Non Bowl)	-	-	173	15	1,200	1,388
Media Rights	-	-	-	-	-	-
Programs, Concessions, Novelty, Parking and Concession Sales	31,093	176	176	9,809	-	41,254
Royalties, Licensing, Advertising, Sponsorships	-	-	-	-	700	700
Sports Camps Revenues	255,227	2,135	2,337	166,112	1,676	427,487
Endowment and Investment Income	-	-	-	-	-	-
Other	5,228	-	235	67,994	69,101	142,558
Bowl Revenues	-	-	-	-	-	-
Total Revenues	\$ 2,191,606	\$ 406,445	\$ 418,222	\$ 3,099,028	\$ 2,002,336	\$ 8,117,637
Expenses						
Athletic Student Aid	\$ 774,502	\$ 218,981	\$ 257,351	\$ 1,336,715	\$ -	\$ 2,587,549
Guarantees	-	6,000	3,300	-	-	9,300
Coaching Salaries, Benefits, and Bonuses paid by the University	768,655	142,088	137,972	1,103,979	-	2,152,694
Coaching Salaries, Camps	-	-	-	-	-	-
Coaching Compensation Paid by 3rd Party	-	-	-	-	-	-
Admin Salaries, Benefits, Bonuses paid by University and Related Entities	27,512	1,976	1,557	29,499	1,015,037	1,075,581
Admin Compensation Paid by 3rd Party	-	-	-	-	-	-
Support Salaries, Camps	-	-	-	-	-	-
Severance Payments	-	-	-	-	-	-
Recruiting	16,093	5,601	10,010	48,944	1,985	82,633
Team Travel	198,427	56,649	49,942	640,136	6,304	951,458
Equipment, Uniforms, Supplies	88,420	19,044	10,567	290,748	12,719	421,498
Game Expenses	47,084	14,310	13,306	67,276	6,048	148,024
Fund Raising, Marketing, Promotion	961	4,794	4,016	554	61,493	71,818
Sport Camp Expenses	146,560	120	-	36,595	2,599	185,874
Direct Facilities, Maintenance, and Rental Athletic Facilities, Debt Service, Lease and Rental Fees	100	-	-	19,024	-	19,124
Spirit Groups	-	-	-	-	35,977	35,977
Indirect Institutional Support	-	-	-	-	-	-
Medical Expenses and Medical Insurance	-	1,280	1,326	5,727	71,389	79,722
Memberships and Dues	252	-	575	10,395	34,461	45,683
Other Operating Expenses	32,899	3,606	3,925	15,587	243,121	299,138
Student-Athlete Meals (non-travel)	1,059	6,390	210	17,500	20,091	45,250
Bowl Expenses	-	-	-	-	-	-
Total Operating Expenses	\$ 2,117,978	\$ 484,093	\$ 496,128	\$ 3,651,617	\$ 1,625,816	\$ 8,375,632
Excess (Deficit) of Revenues Over Expenses	\$ 73,628	\$ (77,648)	\$ (77,906)	\$ (552,589)	\$ 376,520	\$ (257,994)

See accompanying notes to the statement of revenues and expenses.

**COLORADO STATE UNIVERSITY
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 Colorado State University-Pueblo (the University) at the Department of Intercollegiate Athletics of Colorado State University-Pueblo (the Department) and are not intended to present the operations of the University as a whole.

The accompanying statement of revenues and expenses has 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 Statement.

For reporting purposes, the sports in which the University participates are reported separately. The administrative functions of the Department that are not directly attributed to a particular sport have been combined and reported within the Non Program Specific 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 estimated acquisition 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's Fiscal Procedures for acquiring and approving intercollegiate athletics-related assets and follows University campus policies and procedures for disposing of intercollegiate athletics-related assets.

**COLORADO STATE UNIVERSITY
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

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.

<i>Asset Class</i>	<i>Years</i>
Buildings	10 – 70 *
Land Improvements	10 – 21
Leasehold Improvements	5 – 40
Equipment	3 – 12
Library Books	3 – 15

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

3. CAPITAL EXPENDITURES

During the year ended June 30, 2019, there were capital expenditures relating to athletics benefiting both athletic programs and the University as a whole. These expenditures totaled \$12,613.

4. CONCENTRATION OF DONOR SOURCES,

The Colorado State University-Pueblo Foundation was the single largest donor source to the Department with cash contributions of \$369,847, for a total of 21% 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.

5. LONG-TERM OBLIGATIONS

The Athletic Department has no outstanding long term debt as of June 30, 2019; while the University has total outstanding long-term debt obligations of \$114,062,769 at June 30, 2019.

The total Athletic Department debt service expenditures for the fiscal year ended June 30, 2019 were \$-0-.

6. ENDOWMENT FUNDS

Endowment funds held by the Colorado State University-Pueblo Foundation totaled \$22,470,939 at June 30, 2019. Included in this total is \$7,676,957.15 of endowments dedicated for the benefit of Athletics.