

**COLORADO STATE UNIVERSITY  
DEPARTMENT OF INTERCOLLEGIATE ATHLETICS**

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

**For the Year Ended June 30, 2021**

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## **INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING NCAA AGREED-UPON PROCEDURES**

Management of Colorado State University  
Members of the Legislative Audit Committee

We have performed the procedures enumerated below on the accompanying statement of revenues and expenses (the Statement) of the Colorado State University Department of Intercollegiate Athletics (the University or the Department) for the year ended June 30, 2021. The Department is responsible for the compliance with reporting requirements of the National Collegiate Athletic Association (NCAA) Bylaw 3.2.4.17 for the year ended June 30, 2021.

The Department's management have agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of compliance with the NCAA Bylaw 3.2.4.17 for the year ended June 30, 2021. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

If a specific reporting category is less than 4.0% of the total revenues or expenses, no procedures are required for that specific category.

The procedures and the associated findings are as follows:

### **Agreed-Upon Procedures Related to the Statement of Revenues and Expenses**

#### **A. External Organizations**

1. We obtained a listing from the Department of outside organizations that made contributions directly to the Department. Per discussion with management, the only such organization was the Colorado State University 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, 2021, 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, 2021. We noted no material weaknesses or internal control matters in the reports which would need to be disclosed in the notes to the Statement.
4. We were asked to obtain from the Department a listing of expenditures paid by an outside organization on behalf of the Department and compare the amounts to the revenues recorded by the Department. 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.

## B. Revenues

### All Revenue Categories

1. Compared and agreed each operating revenue category reported in the Statement during the reporting period to supporting schedules provided by the institution.
  - a. 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.
  - a. See procedures performed in specific revenue categories.
3. Compared each major revenue account over 10% of the total revenues to prior period amounts and budget estimates. We obtained and documented an understanding of any significant variances greater than 10% from the prior year.
  - a. We compared actual revenues reported on the Statement for the year ended June 30, 2021, to those for the year ended June 30, 2020, and to 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:*

*Ticket Sales* – The \$4,638,411 (100%) decrease was driven by the COVID-19 pandemic which restricted fans from buying tickets, therefore no tickets were sold for any sport during Fiscal Year 2021.

*Contributions* – The \$2,556,254 (31.3%) decrease was caused by the COVID-19 pandemic prohibiting the attendance of fans at sponsored contests resulting in less premium and priority contributions received by the Department as compared to the prior year.

*Direct State or Other Government Support* – The \$10,500,000 increase was due to Higher Education Emergency Relief Funding (HEERF) granted to Colorado State University in response to the COVID-19 pandemic.

*Direct Institutional Support* – The \$4,407,716 (19.9%) decrease was due to the Colorado State University's budgeted support of the Department being lowered due to the COVID-19 pandemic.

*Royalties, Advertisements, and Sponsorships* – The \$1,716,143 (23.4%) decrease was caused by a reduction in sponsorships due to the lack of events hosted because of restrictions from the COVID-19 pandemic.

#### *Budget to Actual:*

We noted during our testing that the budget is adopted on a basis that is slightly different from that of the Statement. The Department budgeting process does not include Statement of Revenue and Expenses line items such as indirect institutional support, the allocation to athletics for the University general and administrative expenses, 3<sup>rd</sup> party support, capital expenses, endowment/investment income, additional direct institutional support and gifts in kind. As such, the comparison performed used budget and actual amounts that are grouped differently than the Statement and does not include all revenues and expenses on the Statement. This is not an exception, as the Department is not required to adopt a budget based on the reporting categories in the Statement. There were three variances over 10% for revenue categories budgeted by the Department. See the analysis below.

*Student Fees* – The \$594,574 (11.8%) variance over budget was due to a conservative budgeted revenue for Student Fees due to the ongoing COVID-19 pandemic and anticipated decreases in the student population. The actual student population of 25,037 was higher than the budgeted student population.

*Stadium Revenue & Naming Rights* – The \$1,002,872 (16.8%) variance over budget was due to the Department receiving additional sponsorship deals and agreements that were not anticipated.

*Other Self-Generated Revenue* – The \$1,136,746 (24.6%) variance over budget was due to Conference, Contributions, and NCAA revenues all being better than anticipated. In response to the ongoing COVID-19 pandemic, the Department adopted conservative budget estimates for these categories due to possible cancellations of sponsored contests.

### **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 Statement and the related attendance figures. We recalculated totals.
  - a. As the total category 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 compared and agreed the budgeted student fees reported by the institution in the Statement for the reporting period to the budgeted student enrollments during the same reporting period and recalculated totals.
  - a. No exceptions noted.
6. We obtained and documented an understanding of the University's methodology for allocating student fees to the institution.
  - a. No exceptions noted.
7. We were asked to obtain the athletics department's methodology for allocation of student fees as generated revenue, if applicable, and recalculate the totals for each sport. We were asked to tie the calculation to supporting documents such as seat manifests, ticket sales reports and student fee totals.
  - a. As the total category balance was less than 4.0% of total revenues, it did not meet the threshold for testing. As such, procedure was not performed.

### **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/or other corroborative supporting documentation and recalculate totals.
  - a. The University received \$10,500,000 in HEERF Relief Funding in response to the COVID-19 pandemic. No exceptions noted.

**Direct Institutional Support**

- 9. We compared the direct institutional support recorded by the institution during the reporting period with the institutional supporting budget transfers documentation and other corroborative supporting documentation. Recalculated totals.
  - a. 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 recalculate totals.
  - a. As there were no transfers back to institution for the year ended June 30, 2021, the 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.
  - a. As the total category 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 agree each selection to the institution's general ledger and/or the statements and recalculate totals.
  - a. As the total category 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 Statement and to recalculate totals.
  - a. As the total category 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 obtained 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, 2021 and reviewed supporting documentation for each contribution. We recalculated totals.
  - a. No exceptions noted.

**In-Kind**

- 15. We were asked to compare the in-kind revenue recorded by the institution during the reporting period with a schedule of in-kind donations and to recalculate totals.
  - a. As the total category 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 recalculate totals.
  - a. As the total category balance was less than 4.0% of total revenues, it did not meet the threshold for testing. As such, 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/or the Statements.
  - a. As the total category balance was less than 4.0% of total revenues, it did not meet the threshold for testing. As such, procedure was not performed.

**Media Rights**

- 18. We obtained and inspected agreements to understand the institution’s total media (broadcast, television, radio) rights received by the institution or through their conference offices.
  - a. No exceptions noted.
- 19. We compared and agreed related revenues to the institution’s general ledger and the Statement. Ledger totals may be different for total conference distributions if media rights are not broken out separately. Recalculated totals.
  - a. No exceptions noted.

**NCAA Distributions**

- 20. 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. Recalculated totals.
  - a. As the total category 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**

- 21. 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 the relevant terms and conditions.
  - a. As the total category balance was less than 4.0% of total revenues, it did not meet the threshold for testing. As such, procedure was not performed.



22. We were asked to compare and agree the related revenues to the institution's general ledger, and/or the Statement. Recalculated totals.

- a. As the total category 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**

23. 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.

- a. As the total category 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**

24. We selected a sample of five agreements and obtained and inspected 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.

- a. No exceptions noted.

25. We compared and agreed the related revenues to the institution's general ledger and the Statement. We recalculated totals.

- a. No exceptions noted.

**Sports Camp Revenues**

26. We were asked to select a sample of five sports camps and inspect the related 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.

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

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

- a. As the total category 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 select a sample of five individual camp participant cash receipts from the schedule of sports-camp participants and agree each selection to the institution's general ledger and the Statement and to recalculate totals.

- a. As the total category 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**

- 29. We were asked to obtain and inspect five endowment agreements to gain an understanding of the relevant terms and conditions.
  - a. As the total category balance was less than 4.0% of total revenues, it did not meet the threshold for testing. As such, procedure was not performed.
- 30. We were asked to compare and agree the classification and use of endowment and investment income reported in the Statement during the reporting period to the uses of income defined within the related endowment agreements and to recalculate totals.
  - a. As the total category balance was less than 4.0% of total revenues, it did not meet the threshold for testing. As such, procedure was not performed.

**Other**

- 31. We were asked to perform minimum agreed upon procedures referenced for all other revenue categories and recalculate the totals.
  - a. As the total category 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**

- 32. 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 the relevant terms and conditions.
  - a. As the total category balance was less than 4.0% of total revenues, it did not meet the threshold for testing. As such, procedure was not performed.
- 33. We were asked to compare and agree the related revenues to the institution's general ledger and/or the Statement and recalculate totals.
  - a. As the total category balance was less than 4.0% of total revenues, it did not meet the threshold for testing. As such, procedure was not performed.

**C. Expenses**

**All Expense Categories**

- 1. We compared and agreed each expense category reported in the Statement during the reporting period to supporting schedules provided by the institution.
  - a. No exceptions noted.
- 2. We 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.
  - a. See procedures performed in specific expense categories.

3. We 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%.
  - a. We compared actual expenses reported on the Statement for the year ended June 30, 2021, to those for the year ended June 30, 2020, and to budgeted amounts. We obtained explanations from management for line item variances exceeding 10% from the prior year and 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:*

*Facility Debt Service/Lease* - The \$4,226,211 (50.8%) increase was due to the stadium bond payments increasing according to the debt schedule in Fiscal Year 2021.

*Budget to Actual:*

We noted during our testing that the budget is adopted on a basis that is slightly different from that of the Statement. As such, the comparison performed used budget and actual amounts that are grouped differently than the Statement and does not include all revenues and expenses on the Statement. This is not an exception, as the Department is not required to adopt a budget based on the reporting categories in the Statement. There were two variances over 10% for expense categories budgeted by the Department.

*Debt Service* – The \$267,124 (46.5%) variance under budget was due to the overestimation in budgeting for more expenses in the Soccer and Softball facility project that was later paused in construction in Spring 2021 due to the COVID-19 pandemic.

*Stadium Operations* – The \$1,045,552 (584.0%) variance over budget was due to the transfer of funds to the Facilities department to assist with the Department's deficit that occurred in Fiscal Year 2020. This transfer, made in Fiscal Year 2021, reimbursed the University's Facilities department for expenses covered on behalf of the Department in the prior Fiscal Year.

**Athletic Student Aid**

4. We selected a sample of 40 students (the maximum sample size 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.
  - a. No exceptions noted.
5. We obtained individual student-account detail for each selection and compared total aid allocated in the institution's student system to the student's detail from the NCAA Membership Financial Reporting System.
  - a. No exceptions noted.
6. We performed a check of each student selected to ensure their information was reported accurately in either the NCAA's Compliance Assistant software or entered directly into the NCAA Membership Financial Reporting System using the following criteria:
  - a. No exceptions noted.

- i. The equivalency value for each student-athlete in all sports, including head-count sports, needs to be converted to a full-time equivalency value. The full-time equivalency value is calculated using the athletic grant amount reported on the Calculation of Revenue Distribution Report (CRDE) from CA as the numerator and the full grant amount which is the total cost for tuition, fees, books, room and board for an academic year as the denominator. If using the NCAA Compliance Assistant software, this equivalency value should already be calculated for you on that CRDE report labeled "Revenue Distribution Equivalent Award."
- ii. Grants-in-aid is calculated by using the revenue distribution equivalencies by sport and in aggregate. (Athletic grant amount divided by the full grant amount).
- iii. Other expenses related to attendance (also known as gap money or cost of attendance) should not be included in grants-in-aid revenue distribution equivalencies. Only tuition, fees, room board and course-related books are countable for grants-in-aid revenue distribution per Bylaw 20.02.07
- iv. The full grant amount should be the full cost of tuition for an academic year, not semester or quarter.
- v. Student-athletes are to be counted once and should not receive a revenue distribution equivalency greater than 1.00.
- vi. Athletic grants are valid for revenue distribution purposes only in sports in which the NCAA conducts championship competition, emerging sports for women and bowl subdivision football.
- vii. Grants-in-aid are valid for revenue distribution purposes in NCAA sports that do not meet the minimum contests and participants' requirements of Bylaw 20.9.6.3.
- viii. Institutions providing grants to student-athletes are listed on the CRDE as "Exhausted Eligibility (fifth-year)" or "Medical" receive credit in the grants-in-aid component.
- ix. The athletics aid equivalency cannot exceed maximum equivalency limits. However, the total revenue distribution equivalency can exceed maximum equivalency limits due to exhausted eligibility and medical equivalencies (reference Bylaw 15.5.3.1).
- x. If a sport is discontinued and the athletic grant is still being honored by the institution, the grant is included in student-athlete aid for revenue distribution purposes.
- xi. If a student received a Pell Grant, ensure the value of the grants is not included in the calculation of equivalencies or the total dollar amount of student athletic aid expense.
- xii. All equivalency calculations should be rounded to two decimal places.
- xiii. If a selected student received a Pell Grant, ensure the student's grant was included in the total number and total value of Pell Grants reported for Revenue Distribution purposes in the NCAA Membership Financial Reporting Database.

7. We recalculated totals for each sport and overall.

a. No exceptions noted.

#### **Guarantees**

8. We were asked to obtain and inspect a sample of five visiting institution's away-game settlement reports received by the institution during the reporting period and agreed related expenses to the institution's general ledger and/or the Statement.

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

9. We were asked to obtain and inspect 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/or the Statement and to recalculate totals.

a. As the total category 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**

10. We obtained and inspected a listing of coaches employed by the institution and related entities during the reporting period.

a. No exceptions noted.

11. We selected a sample of five coaches' contracts or annual salary letter that included football, and men's and women's basketball from the above listing.

a. No exceptions noted.

12. We compared and agreed 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 Statement during the reporting period.

a. No exceptions noted.

13. We obtained and inspected payroll summary registers for the reporting year for each selection.

a. No exceptions noted.

14. We compared and agreed 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 Statement during the reporting period for each selection.

a. No exceptions noted.

15. We compared and agreed the totals recorded to any employment contracts executed for the sample selected.

a. No exceptions noted.

16. We recalculated totals.

- a. No exceptions noted.

**Coaching Other Compensation and Benefits Paid by a Third Party**

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

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

18. We were asked to select a sample of five coaches that included 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 Statement during the reporting period.

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

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

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

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

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

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

21. We selected a sample of five support staff/administrative personnel employed by the institution and related entities during the reporting period.

- a. No exceptions noted.

22. We obtained and inspected reporting period summary payroll register for each selection.

- a. No exceptions noted.

23. We compared and agreed 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 Statement during the reporting period for each selection. Recalculated totals.

- a. No exceptions noted.

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

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

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

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

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

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

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

### **Severance Payments**

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

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

### **Recruiting**

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

- a. As the total category 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 compare and agree to existing institutional and NCAA-related policies.

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

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

- a. As the total category 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**

31. We obtained and documented an understanding of the institution's team travel policies.

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

32. We compared and agreed to existing institutional and NCAA-related policies.
- a. As the total category balance was less than 4.0% of total expenses, it did not meet the threshold for testing. As such, procedure was not performed.
33. We obtained general ledger detail and compared to the total expenses reported. We recalculated totals.
- a. As the total category balance was less than 4.0% of total expenses, it did not meet the threshold for testing. As such, procedure was not performed.

### **Equipment, Uniforms and Supplies**

34. We obtained general ledger detail and compared to the total expenses reported. We selected a sample of five transactions to validate existence of transaction and accuracy of recording and recalculated totals.
- a. No exceptions noted.

### **Game Expenses**

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

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

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

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

39. We obtained a listing of debt service schedules, lease payments and rental fees for athletics facilities for the reporting year. We compared 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.)

- a. No exceptions noted.

40. We compared amounts recorded to amounts listed in the general ledger detail for each selection. Recalculated totals.

- a. No exceptions noted.

**Direct Overhead and Administration Expenses**

41. We were asked to obtain 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. Recalculated totals.

- a. As the total category 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**

42. This procedure is performed in conjunction with testing of Indirect Institutional Support – Revenue.

- a. As the total category 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**

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

- a. As the total category 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**

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

- a. As the total category 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**

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

- a. As the total category 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)**

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

- a. As the total category balance was less than 4.0% of total expenses, it does not meet the threshold for testing. As such, procedure was not performed.

### **Bowl Expenses**

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

- a. As the total category balance was less than 4.0% of total expenses, it does not meet the threshold for testing. As such, procedure was not performed.

### **D. Additional Minimum Agreed Upon Procedures**

#### 1. For Grants-in-Aid:

Compared and agreed the sports sponsored reported in the NCAA Membership Financial Reporting System to the Calculation of Revenue Distribution Equivalencies Report (CRDE) from the institution. The NCAA Membership Financial Reporting System populates the sports from the NCAA Membership Database as they are reported by the institution. For any discrepancies in the sports sponsored between the NCAA Membership Financial Reporting System and the CRDE, we were asked to inquire about the discrepancies and report the justification of the discrepancy in the report. No discrepancies/exceptions noted.

- A. Compare current year grants-in-aid revenue distribution equivalencies to prior year reported equivalencies per the membership financial report submission. Inquire and document an explanation for any variance great than +/- 4%.
  - i. The following sponsored sports total reported equivalencies decreased greater than 4% due to roster turnover and coaches decisions to award fewer scholarships; Men's Basketball (16.4%) and Men's Golf (11.5%).
  - ii. The following sponsored sports total reported equivalencies increased greater than 4% due to coaches decisions to award more scholarships; Men's Football (4.04%), Men's Outdoor Track (4.6%) and Softball (5.3%).

#### 2. For Sports Sponsorship:

Obtained the institution's Sports Sponsorship and Demographics Forms Report for the reporting year. We validated that the countable sports reported by the institution met the minimum requirements set forth in Bylaw 20.9.6.3 for the number of contests and the number of participants in each contest that is counted toward meeting the minimum contest requirement. Post season contests are not countable toward the contest requirements; regular season only. If the institution requested and/or received a waiver related to minimum contests or minimum participants for a particular sport, that sport would not qualify as a sponsored sport for the purposes of revenue distribution. Also, only sports in which the NCAA conducts championships competition, emerging sports for women and bowl subdivision football are eligible. We ensured that the institution had properly reported these sports as countable for revenue distribution purposes within the NCAA Membership Financial Reporting System. No exceptions noted.

- A. Compare current year number of Sports Sponsored to prior year reported total per the Membership Financial Report submission. Inquire and document an explanation for any variance.

- i. No variances noted

3. For Pell Grants:

Compared and agreed the total number of Division I student-athletes who, during the academic year, received a Pell Grant award (e.g. Pell Grant recipients on Full Grant-In-Aid, Pell Grant recipients on Partial Grants-In Aid and Pell Grant recipients with no Grants-In-Aid) and the total value of these Pell Grants reported in the NCAA Membership Financial Reporting System to a report, generated out of the institution's financial aid records, of all student-athlete Pell Grants. Note: individual student-aid files testing in step D.6 above should tie any selected student athletes who received Pell Grants back to the report of all student athlete Pell Grants to test the completeness and accuracy of the report. No exceptions noted.

- A. Compare current year Pell Grants total to prior year reported total per the Membership Financial Report submission. Inquire and document an explanation for any variance greater than +/- 20 grants.

- i. Noted Total Pell Grants dropped in current year in response to Total Student Athlete count decreasing compared to the prior year.

**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, 2021, the procedure was not performed.

**Total Athletics Related Debt**

- 2. We obtained repayment schedules for all outstanding intercollegiate athletics debt during the reporting period. Recalculated annual maturities (consisting of principal and interest) provided in schedules obtained. No exceptions noted.
- 3. We agreed 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 agreed the total outstanding institutional debt to supporting documentation and the institution's audited financial statements (or institution's general ledger). No exceptions noted.

**Value of Athletics Dedicated Endowment**

- 5. We obtained the schedule of all athletics dedicated endowments maintained by athletics, the institution, and the affiliated organization (Colorado State University Foundation). We agreed the fair value in the schedule to supporting documentation, the general ledger and audited financial statements. No exceptions noted.

### **Value of Institutional Endowments**

6. We agreed the total fair value of institutional endowments to audited financial statements. No exceptions noted.

### **Total Athletics Related Capital Expenditures**

7. We obtained the schedule of athletics related capital expenditures made by athletics, the institution, and affiliated organizations during the reporting period.
8. We obtained 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, Recalculated totals. No exceptions noted.

We were engaged by the Colorado Office of the State Auditor and management of the University to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants (AICPA). We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the Statement of Revenues and Expenses of the Intercollegiate Athletics Department of the University for the year ended June 30, 2021. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the University and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement. In performing our agreed-upon procedures engagement, we have relied solely on representations provided by the management of the University relating to its responsibility for the Statement of Revenues and Expenses of the Intercollegiate Athletics Department of the University for the year ended June 30, 2021.

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, the Colorado State University System's Management, and the Colorado State University 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.

The purpose of this report is solely to describe the procedures and findings related to the Statement of Revenues and Expenses of the Intercollegiate Athletics Department of the University for the year ended June 30, 2021. Accordingly, this report is not suitable for any other purpose.



**CliftonLarsonAllen LLP**

Broomfield, Colorado  
January 7, 2022

**COLORADO STATE UNIVERSITY**  
**DEPARTMENT OF INTERCOLLEGIATE ATHLETICS**  
**STATEMENT OF REVENUES AND EXPENSES**  
**For the Year Ended June 30, 2021 (Unaudited)**

	Football	Men's Basketball	Women's Basketball	Other Sports	Non Program Specific	Total
<b>Revenues</b>						
Ticket Sales	\$ -	\$ -	\$ -	\$ -	\$ 346	\$ 346
Student Fees	-	-	-	-	5,609,526	5,609,526
Guarantees	-	-	-	5,000	-	5,000
Contributions	1,950,379	21,714	5,977	67,614	3,552,166	5,597,850
Compensation and Benefits Provided by 3rd Party	-	5,000	5,000	-	-	10,000
Direct State or Other Government Support	10,500,000	-	-	-	-	10,500,000
Direct Institutional Support	-	-	-	-	17,701,547	17,701,547
Indirect Institutional Support	67,826	275,653	269,325	493,623	272,107	1,378,534
NCAA Distributions	-	52,000	-	16,453	1,078,649	1,147,102
Conference Distributions (Non Media and Non Bowl)	-	7,500	7,500	-	1,479,895	1,494,895
Media Rights	1,946,075	518,953	129,738	-	-	2,594,766
Programs, Concessions, Novelty, Parking and Concession Sales	-	-	-	-	15,558	15,558
Royalties, Licensing, Advertising, Sponsorships	2,825,111	-	-	-	2,808,307	5,633,418
Sports Camps Revenues	41,495	-	-	31,263	27,279	100,037
Endowment and Investment Income	58,168	25,240	13,165	86,743	(49,586)	133,731
Other	852	115	145	2,850	43,727	47,688
<b>Total Revenues</b>	<b>\$ 17,389,906</b>	<b>\$ 906,175</b>	<b>\$ 430,850</b>	<b>\$ 703,545</b>	<b>\$ 32,539,522</b>	<b>\$ 51,969,998</b>
<b>Expenses</b>						
Athletic Student Aid	\$ 3,954,783	\$ 577,242	\$ 661,511	\$ 4,047,108	\$ 64,707	\$ 9,305,352
Guarantees	-	70,000	9,054	1,000	-	80,054
Coaching Salaries, Benefits, and Bonuses paid by the University	4,567,590	1,590,661	710,104	2,084,315	-	8,952,670
Coaching Salaries, Camps	-	-	-	5,122	-	5,122
Coaching Compensation Paid by 3rd Party	15,913	5,000	5,000	14,211	-	40,124
Admin Salaries, Benefits, Bonuses paid by University and Related Entities	869,277	261,649	178,695	80,475	5,794,461	7,184,557
Support Salaries, Camps	-	-	-	-	5,084	5,084
Severance Payments	-	-	-	38,039	-	38,039
Recruiting	49,493	32,689	11,461	25,774	-	119,416
Team Travel	483,950	490,143	225,915	599,254	19,411	1,818,671
Equipment, Uniforms, Supplies	1,579,978	162,267	159,120	694,668	192,941	2,788,973
Game Expenses	93,853	119,756	51,972	97,610	25,904	389,095
Fund Raising, Marketing, and Promotion	7,211	3,162	805	4,066	132,991	148,235
Sport Camp Expenses	11,201	-	-	16,051	166	27,417
Direct Facilities, Maintenance, and Rental Athletic Facilities, Debt Service, Lease and Rental Fees	1,120,145	117	-	7,461	77,633	1,205,355
Spirit Groups	12,546,083	-	-	-	-	12,546,083
Indirect Institutional Support	-	-	-	-	18,990	18,990
Medical Expenses and Medical Insurance	67,826	275,653	269,325	493,623	272,107	1,378,534
Memberships and Dues	3,619	2,286	9,414	23,016	575,629	613,963
Other Operating Expenses	940	-	6,605	14,053	464,334	485,931
Student-Athlete Meals (non-travel)	171,097	48,859	22,717	79,202	838,744	1,160,619
Student-Athlete Meals (non-travel)	352,062	41,904	18,815	24,721	68,174	505,675
<b>Total Operating Expenses</b>	<b>\$ 25,895,020</b>	<b>\$ 3,681,386</b>	<b>\$ 2,340,514</b>	<b>\$ 8,349,767</b>	<b>\$ 8,551,274</b>	<b>\$ 48,817,960</b>
<b>Excess (Deficit) of Revenues Over Expenses</b>	<b>\$ (8,505,114)</b>	<b>\$ (2,775,211)</b>	<b>\$ (1,909,663)</b>	<b>\$ (7,646,222)</b>	<b>\$ 23,988,248</b>	<b>\$ 3,152,039</b>

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, 2021 (Unaudited)**

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**1. BASIS OF ACCOUNTING**

The accompanying statements of revenues and expenses present the results of financial activity of the Colorado State University (the University) Department of Intercollegiate Athletics (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, 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 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.

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 *
Improvements Other than Buildings	10 – 21
Equipment	2 – 12

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

**COLORADO STATE UNIVERSITY  
DEPARTMENT OF INTERCOLLEGIATE ATHLETICS  
NOTES TO STATEMENTS OF REVENUES AND EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2021 (Unaudited)**

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**3. CAPITAL EXPENDITURES**

During the year ended June 30, 2021, there were capital expenditures relating to athletics benefiting both athletic programs and the University as a whole. These expenditures were composed of the following:

Construction In Process	\$ 1,305,134
Equipment and Software	<u>193,336</u>
	<u>\$ 1,498,470</u>

**4. CONCENTRATION OF DONOR SOURCES**

The Colorado State University Foundation was the single largest donor source to the Department with cash contributions of \$3,893,131, for a total of 69% of total contributions, endowments donations and investment income for the year ended June 30, 2021. The cash contributions received from the Foundation represent gifts from various donors made for the benefit of the Department.

**5. LONG-TERM OBLIGATIONS**

The total Department outstanding balance of \$225,120,000 approximates 23.06% of the total University outstanding balance of \$1,158,213,244 at June 30, 2021.

The total Department debt service expenditures for the fiscal year ended June 30, 2021 were \$1,597,319.

The future minimum debt service payments for the bond payable are shown in the following table.

<u>Fiscal Years</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2022	-	1,608,985	1,608,985
2023	4,560,000	7,994,346	12,554,346
2024	4,700,000	7,850,312	12,550,312
2025	4,355,000	5,735,587	10,090,587
2026	4,505,000	5,576,422	10,081,422
Thereafter	<u>207,000,000</u>	<u>84,979,319</u>	<u>291,979,319</u>
Total Debt Service Maturities	<u>\$ 225,120,000</u>	<u>\$ 113,744,971</u>	<u>\$ 338,864,971</u>

**6. ENDOWMENT FUNDS**

Endowment funds held by the Colorado State University Foundation totaled \$560,490,007 at June 30, 2021. Included in this total is \$5,268,624 of endowments dedicated for the benefit of the Department.