

**UNIVERSITY OF COLORADO BOULDER  
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

Dr. Philip DiStefano, Chancellor  
University of Colorado Boulder  
Boulder, Colorado

We have performed the procedures enumerated below, which were agreed to by management of the University of Colorado Boulder (the Institution) and the Legislative Audit Committee, solely to assist in evaluating whether the accompanying Statements of Revenues and Expenses (the Statements) of the University of Colorado Boulder Department of Intercollegiate Athletics (the Department) are in compliance with the National Collegiate Athletic Association (NCAA) Bylaw 3.2.4.15 for the year ended June 30, 2019. The Institution's management is responsible for the Statements and the Statements' compliance with those requirements. The sufficiency of these procedures is solely the responsibility of the parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose. If a specific reporting category is less than 4% of the total revenues or expenses, no procedures are required for that specific category.

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

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

#### **A. Internal Control**

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

## B. External Organizations

1. We obtained a listing from University management of outside organizations that made contributions directly to the Department. Per discussion with management, the only such organization was the University of Colorado Foundation (the Foundation).
2. We obtained from the sole outside organization (the Foundation), whose contributions exceeded 10% of total contributions reported by the Department for the year ended June 30, 2019, the amount of its contributions. We compared these to the revenues recorded by the Department in the general ledger without exception.
3. We obtained and reviewed the audited financial statements and required communications to governance letter for the Foundation for the year ended June 30, 2019. No exceptions noted.
4. We were asked to obtain from the institution 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.

## C. Revenues

| <u>Procedure</u>   | <u>Result</u>  |
|--|--|
| <b>All Revenue Categories</b>  |  |
| 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 budget estimates. We obtained and documented an understanding of any significant variances greater than 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 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: |

*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% compared to the budget:

*Ticket Sales* – the \$6,540,471 (46.6%) variance under budget is due to non-deductible contributions related to ticket purchases being budgeted within ticketing revenue. However, for reporting purposes, the amounts paid for these tickets over face value are considered contribution revenues.

*Contributions* – the \$6,097,540 (37.8%) variance over budget is due to non-deductible contributions related to ticket purchases being budgeted within ticketing revenue. However, for reporting purposes, the amounts paid for these tickets over face value are considered contribution revenues.

**Procedure**

**Result**

**Ticket Sales**

4. We were asked to compare tickets sold during the reporting period, complimentary tickets provided during the reporting period and unsold tickets to the related revenue reported by the institution in the Statements and the related attendance figures, and to recalculate totals.

We were able to reconcile the detail of tickets sold, complimentary tickets, and unsold tickets to revenue recorded within \$143 (0.001%).

**Student Fees**

5. We were asked to compare and agree the budget student fees reported by the Institution in the Statements for the reporting period to the budgeted student enrollments during the same reporting period and to recalculate totals.

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

6. We were asked to obtain and document an understanding of the University's methodology for allocating student fees to the Department.

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

7. We were asked to obtain the Athletic 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.

As the total student fees 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 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, the procedure was not performed.

### **Direct Institutional Support**

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

As direct institutional support is authorized as part of the budget process, we compared the amount in the Statements to the fund approved budget of \$8,175,662, noting a difference of \$121,759. As the actual amount in the Statements encompasses four funds utilized by the Department, and the budget is made for only the general athletic fund, the difference was due to actual amounts included in the other three funds that were not budgeted for by the Department. For the remaining \$121,759, we agreed amounts to approved journal entries transferring these funds into the Department. 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 the Institution for the year ended June 30, 2019, 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.

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

### **Guarantees**

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

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

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

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

## Contributions

14. We were asked to obtain a detailed listing of contributions of moneys, goods or services received directly by the Department from any affiliated or outside organization, agency or group of individuals (two or more) or single person not included above (e.g., contributions by corporate sponsors) that constituted 10% or more in aggregate for the reporting year of all contributions received for the 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 revenue recorded by the Institution during the reporting period with a schedule of in-kind donations and to recalculate totals.
- As the total in-kind revenue balance was less than 4.0% of total revenues, it did not meet the threshold for testing. As such, procedure was not performed.

## Compensation and Benefits Provided by a Third Party

16. We were asked to obtain the summary of revenues from affiliated and outside organizations (the Summary) as of the end of the reporting period from the Institution and to recalculate totals.
- As there was no compensation and benefits provided by a third party for the year ended June 30, 2019, the procedure was not performed.
17. We were asked to select a sample of five funds from the Summary and compare and agree each selection to supporting documentation, the Institution's general ledger and the Statements.
- As there was no compensation and benefits provided by a third party for the year ended June 30, 2019, the 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, the procedure was not performed.



## Media Rights

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

As the majority of the media rights revenues were a part of the conference distributions received by the institution from the PAC-12, total media rights and conference distribution balance per the institution was compared to the total distributions received from PAC-12 and agreed without exception. We vouched a total of 26 transactions received from the PAC-12 to supporting documentation. Then, in order to determine the amount recorded as Media Rights, noted the schools of the PAC-12 were taking total broadcasting rights from ESPN and FOX and dividing it by 12 to arrive at the institution's Media Rights revenue for the Statements. Recalculated without exception. The remainder was recorded as Conference Distributions.

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

No exceptions noted.

## NCAA Distributions

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

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

## Conference Distributions

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

See results for Procedure 19 above.

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

We were able to reconcile PAC 12 media rights amount to the amount allocated to Football and Basketball Television to revenue recorded within \$387 (0.002%).

### **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.
- No exceptions noted.

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.
- No exceptions noted.

### **Sports Camp Revenues**

27. We were asked to select a sample of five sports camps and inspect sports-camp contracts between the institution and persons conducting institutional sports-camps or clinics during the reporting period to obtain an understanding of the Institution's methodology for recording revenues from sports-camps.
- As the total sports camp revenues balance was less than 4.0% of total revenues, it did not meet the threshold for testing. As such, procedure was not performed.

28. We were asked to obtain schedules of camp participants.
- As the total sports camp revenues balance was less than 4.0% of total revenues, it did not meet the threshold for testing. As such, procedure was not performed.

29. We were asked to select a sample of five individual camp participant cash receipts from the schedule of sports-camp participants and agreed each selection to the Institution's general ledger, and the Statements, and to recalculate totals.
- As the total sports camp revenues balance was less than 4.0% of total revenues, it did not meet the threshold for testing. As such, procedure was not performed.

### **Athletics Restricted Endowment and Investment Income**

- |  |  |
|--|--|
| 30. We were asked to obtain and inspect five endowment agreements to gain an understanding of the relevant terms and conditions.   | As the total athletics restricted endowment and investment income balance was less than 4.0% of total revenues, it did not meet the threshold for testing. As such, procedure was not performed. |
| 31. We were asked to compare and agree the classification and use of endowment and investment income reported in the Statements during the reporting period to the uses of income deferred within the related endowment agreements. We were asked to recalculate totals. | As the total athletics restricted endowment and investment income balance was less than 4.0% of total revenues, it did not meet the threshold for testing. As such, procedure was not performed. |

### **Other**

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| 32. We were asked to perform minimum agreed upon procedures for all revenue categories and recalculate totals. | No exceptions noted. |
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### **Bowl Revenues**

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|--|---|
| 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 were no bowl revenues for the year ended June 30, 2019, the 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 were no bowl revenues for the year ended June 30, 2019, the procedure was not performed. |

## D. Expenses

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

*Athletic Facilities, Debt Service, Rental* – The \$2,888,510 (19.2%) decrease was due to a loan refinancing for the campus.

### *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% compared to the budget:

*Debt Service* – The \$1,639,534 (13.5%) variance under budget is a result of loan refinancing.

**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 in the institution's student system to the student's detail from the NCAA Membership Financial Reporting System.  | No exceptions noted. |
| 6. We were asked to perform 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:<br><br>a. 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 (CDRE) 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 CDRE report labeled "Revenue Distribution Equivalent Award."<br><br>b. Grant-in-aid is calculated by using the revenue distribution equivalencies by sport and aggregate. (Athletic grant amount divided by the full grant amount). | No exceptions noted. |

- c. 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.
- d. The full grant amount should be the full cost of tuition for an academic year, not semester or quarter.
- e. Student-athletes are to be counted once and should not receive a revenue distribution equivalency greater than 1.00.
- f. 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.
- g. 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.
- h. 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.
- i. The athletics aid equivalency cannot exceed minimum 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).
- j. 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.
- k. All equivalency calculations should be rounded to two decimal places.

- l. If a student received a Pell Grant, ensure the value of the grant is not included in the calculation of equivalencies or the total dollar amount of student athletic aid expense for the institution.
- m. 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 System.

7. We were asked to recalculate totals for each sport and overall.

Discrepancies:

*Football:* Per the Statement of Revenues and Expenses, student financial aid totaled \$4,954,571 for 2018-2019. Per recalculation, football student aid totals were \$4,952,580. The \$1,991 variance is due to a student-athlete's 2018 summer aid being paid in the current fiscal year. Traced \$1,991 to general ledger without exception.

**Guarantees**

8. We were asked to select a sample of five visiting institution's away-game settlement reports received by the institution during the reporting period and agree related expenses to the Institution's general ledger and the statements, 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.

9. We were asked to select a sample of five contractual agreements pertaining to expenses recorded by the Institution from guaranteed contests during the reporting period. We were asked to compare and agree related amounts expensed by the institution during to the institution's general ledger and the Statement, and to recalculate totals.

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

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

10. 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.

11. 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.

- |  |                      |
|--|----------------------|
| 12. We were asked to compare and agree the financial terms and conditions of each selection to the related coaching salaries, benefits, and bonuses recorded by the Institution and related entities in the Statements during the reporting period.  | No exceptions noted. |
| 13. We were asked to obtain and inspect payroll summary registers for the reporting year for each selection.   | No exceptions noted. |
| 14. We were asked to compare and agree payroll summary registers from the reporting period to the related coaching salaries, benefits and bonuses paid by the institution and related entities expense recorded by the Institution in the Statements during the reporting period for each selection. | No exceptions noted. |
| 15. We were asked to compare and agree the totals recorded to any employment contracts executed for the sample selected.   | No exceptions noted. |
| 16. We were asked to recalculate totals.   | No exceptions noted. |

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

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|---|--|
| 17. 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, the procedure was not performed. |
| 18. We were asked to select a sample of five coaches that must include football, men’s, and women’s basketball from the listing and agree the financial terms and conditions of each selection to the related coaching other compensation and benefits paid by a third party and recorded by the Institution in the Statements during the reporting period. | As there was no other compensation and benefits paid by a third party for the year ended June 30, 2019, the procedure was not performed. |
| 19. 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, the procedure was not performed. |
| 20. We were asked to obtain and agree related payroll summary register to the coaching other compensation and benefits paid by a third party expenses recorded by the Institution in the Statements during the reporting period for each selection. We were asked to recalculate totals.  | As there was no other compensation and benefits paid by a third party for the year ended June 30, 2019, the procedure was not performed. |



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

- 21. 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.
- 22. We were asked to obtain and inspect reporting period summary payroll register for each selection. No exceptions noted.
- 23. We were asked to compare and agree related summary payroll register to the related support staff/administrative salaries, benefits and bonuses paid by the Institution and related entities expense recorded by the Institution in the Statements during the reporting period for each selection, and to recalculate totals. No exceptions noted.

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

- 24. 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, the procedure was not performed.
- 25. 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, the procedure was not performed.
- 26. We were asked to compare and agree related payroll summary registers to the related support staff/administrative other compensation and benefits expense recorded by the Institution in the Statements during the reporting period for each selection, and to recalculate totals. As there was no compensation and benefits paid by a third party for the year ended June 30, 2019, the 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 agree each severance payment to the related termination letter or employment contract, and to recalculate totals. No exceptions noted.

## **Recruiting**

28. We were asked to obtain and document an understanding of the Institution's recruiting expense policies. As the total recruiting balance was less than 4.0% of total expenses, it did not meet the threshold for testing. As such, procedure was not performed.
29. 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.
30. We were asked to obtain 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**

31. We were asked to obtain and document an understanding of the Institution's team travel policies. As the total team travel 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 were asked to compare and agree to existing institutional and NCAA-related policies. As the total team travel 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 were asked to obtain the general ledger detail and compare to the total expenses reported. As the total team travel 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 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 equipment, uniforms and supplies balance was less than 4.0% of total expenses, it did not meet the threshold for testing. As such, procedure was not performed.

## **Game Expenses**

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

### **Fund Raising, Marketing and Promotion**

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

### **Sports Camp Expenses**

37. 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**

38. 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 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 were asked to obtain a listing of debt service schedules, lease payments and rental fees for athletics facilities for the reporting year, and to compare a sample of five facility payments, including the top two highest facility payments, to additional supporting documentation (e.g. debt financing agreements, leases, rental agreements.)

No exceptions noted.

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

No exceptions noted.

### **Direct Overhead and Administration Expenses**

41. 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.

No exceptions noted.

### **Indirect Institutional Support**

42. Tested with revenue section – Indirect Institutional Support.

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

### **Medical Expenses and Medical Insurance**

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 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**

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 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**

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 to recalculate totals.

No exceptions noted.

### **Student-Athlete Meals (Non-Travel)**

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 the total student-athlete meals 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, select a sample of five transactions to validate existence of transaction and accuracy of recording, and recalculate totals.

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

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

1. We were asked to compare and agree the sports sponsored reported in the NCAA Membership Financial Reporting System to the Calculation of Revenue Distribution Equivalencies Report (CDRE) from Compliance Assistance (CA) or other report that supports the equivalency calculations 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 CDRE or other report that supports the equivalency calculations, we were asked to inquire about the discrepancies and report the justification of the discrepancy in the report. No discrepancies noted.

2. We were asked to compare current year Grants-in-Aid revenue distribution equivalencies to prior year reported equivalencies per the Membership Financial Report submission. We were asked to inquire and document an explanation for any variance greater than +/-4%. No variances greater than +/- 4% were noted.
3. We were asked to obtain the institution's Sports Sponsorship and Demographics Forms Report for the reporting year. We were asked to validate 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. 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. Once countable sports have been validated, we were asked to ensure that the institution had properly reported these sports as countable for revenue distribution purposes within the NCAA Membership Financial Reporting System. Note: Any discrepancies must be resolved within the NCAA Membership Financial Reporting System prior to the report being submitted to NCAA. No exceptions noted.
4. We were asked to compare the current year number of Sports Sponsored to prior year reported total per the Membership Financial Report submission and inquire any variances. No variances were noted.
5. We were asked to agree 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.
6. We were asked to compare current year Pell Grants total to prior year reported total per the Membership Financial Report submission. We were asked to inquire and document an explanation for any variance greater than +/-20 grants. No variances greater than +/- 20 grants were noted.

## **F. Minimum Agreed Upon Procedures for Other Reporting Items**

### **Excess Transfers to Institution and Conference Realignment Expenses**

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

### **Total Athletics Related Debt**

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

**Total Institutional Debt**

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

**Value of Athletics Dedicated Endowment**

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

**Value of Institutional Endowments**

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

**Total Athletics Related Capital Expenditures**

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

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to, and did not conduct an examination, the objective of which would be the expression of an opinion on the compliance of the accompanying Statements of Revenues and Expenses of the Intercollegiate Athletics Department of the University for the year ended June 30, 2019. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the specified parties listed above and is not intended to be and should not be used by anyone other than those specified parties. However, upon release by the Legislative Audit Committee, this report is a public document.



**CliftonLarsonAllen LLP**

Denver, Colorado  
January 9, 2020

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

**Revenues**

|     |   |                   |
|-----|---|-------------------|
| 1   | Ticket Sales  | \$ 14,030,529     |
| 2   | Direct State or Other Govt Support  | -                 |
| 3   | Student Fees  | 1,549,105         |
| 4   | Direct Institutional Support  | 8,297,421         |
| 5   | Transfers to Institution  | -                 |
| 6   | Indirect Institutional Support  | 2,436,499         |
| 6A. | Indirect Institutional Support - Athletic Facilities, Debt Service, Lease & Rental Fees | -                 |
| 7   | Guarantees  | 320,000           |
| 8   | Contributions   | 16,113,840        |
| 9   | In-Kind   | 1,748,351         |
| 10  | Compensation and Benefits Provided by 3rd Party   | -                 |
| 11  | Media Rights  | 20,835,000        |
| 12  | NCAA Distributions  | 1,209,666         |
| 13  | Conference Distributions (Non Media and Non Bowl)                                       | 10,227,319        |
| 14  | Programs, Concessions, Novelty, Parking and Concession Sales                            | 2,307,881         |
| 15  | Royalties, Licensing, Adv, Sponsorships   | 8,742,848         |
| 16  | Sports Camps Revenues   | 1,099,694         |
| 17  | Endowment and Investment Income   | 1,683,444         |
| 18  | Other   | 4,333,601         |
| 19  | Bowl Revenues   | -                 |
|     | <b>Total Revenues</b>   | <u>94,935,198</u> |

**Expenses**

|    |   |                   |
|----|---|-------------------|
| 20 | Athletic Student Aid                      | 11,804,849        |
| 21 | Guarantees                                | 933,904           |
| 22 | Coaching Salaries, Benefits, Bonuses      | 16,578,878        |
| 23 | Coaching Compensation Paid by 3rd Party   | -                 |
| 24 | Admin Salaries, Benefits, Bonuses         | 15,142,538        |
| 25 | Admin Compensation Paid by 3rd Party      | -                 |
| 26 | Severance Payments                        | 8,494,428         |
| 27 | Recruiting                                | 1,341,700         |
| 28 | Team Travel                               | 3,493,287         |
| 29 | Equipment, Uniforms, Supplies             | 1,574,465         |
| 30 | Game Expenses                             | 3,750,708         |
| 31 | Fund Raising, Marketing, Promotion        | 1,782,701         |
| 32 | Sport Camp Expenses                       | 532,798           |
| 33 | Spirit Groups                             | 350,441           |
| 34 | Athletic Facilities, Debt Service, Rental | 12,156,757        |
| 35 | Direct Overhead & Admin Expenses          | 8,684,879         |
| 36 | Indirect Institutional Support            | 2,436,499         |
| 37 | Medical Expenses                          | 1,282,127         |
| 38 | Memberships and Dues                      | 74,222            |
| 39 | Student-Athlete Meals (non-travel)        | 1,781,119         |
| 40 | Other Operating Expenses                  | 6,194,144         |
| 41 | Bowl Expenses                             | 22,843            |
|    | <b>Total Expenses</b>                     | <u>98,413,287</u> |

**Excess of Revenues Over Expenses** \$ (3,478,089)

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

|   | Football             | Men's Basketball    | Women's Basketball    | Men's Track & Field | Men's Golf          | Women's Lacrosse      | Men's Skiing        | Women's Soccer        | Women's Volleyball    | Women's Track & Field | Women's Golf        | Women's Tennis      | Women's Skiing      | Other                 | Total                 |
|---|----------------------|---------------------|-----------------------|---------------------|---------------------|-----------------------|---------------------|-----------------------|-----------------------|-----------------------|---------------------|---------------------|---------------------|-----------------------|-----------------------|
| <b>Revenues</b>   |                      |                     |                       |                     |                     |                       |                     |                       |                       |                       |                     |                     |                     |                       |                       |
| 1 Ticket Sales  | \$ 11,523,642        | \$ 2,248,817        | \$ 135,798            | \$ 8,480            | \$ -                | \$ -                  | \$ -                | \$ 35,453             | \$ 69,859             | \$ 8,480              | \$ -                | \$ -                | \$ -                | \$ -                  | 14,030,529            |
| 2 Direct State or Other Govt Support  | -                    | -                   | -                     | -                   | -                   | -                     | -                   | -                     | -                     | -                     | -                   | -                   | -                   | -                     | -                     |
| 3 Student Fees  | -                    | -                   | -                     | -                   | -                   | -                     | -                   | -                     | -                     | -                     | -                   | -                   | -                   | 1,549,105             | 1,549,105             |
| 4 Direct Institutional Support  | 489,103              | 342,198             | 334,920               | 335,888             | 153,398             | 375,203               | 151,756             | 224,769               | 169,713               | 307,958               | 158,630             | 114,242             | 92,116              | 5,047,527             | 8,297,421             |
| 5 Transfers to Institution  | -                    | -                   | -                     | -                   | -                   | -                     | -                   | -                     | -                     | -                     | -                   | -                   | -                   | -                     | -                     |
| 6 Indirect Institutional Support  | -                    | -                   | -                     | -                   | -                   | -                     | -                   | -                     | -                     | -                     | -                   | -                   | -                   | 2,436,499             | 2,436,499             |
| 6A. Indirect Institutional Support - Athletic Facilities, Debt Service, Lease & Rental Fees | -                    | -                   | -                     | -                   | -                   | -                     | -                   | -                     | -                     | -                     | -                   | -                   | -                   | -                     | -                     |
| 7 Guarantees  | 300,000              | 20,000              | -                     | -                   | -                   | -                     | -                   | -                     | -                     | -                     | -                   | -                   | -                   | -                     | 320,000               |
| 8 Contributions   | 4,791,478            | 754,318             | 175,559               | 10,460              | 59,720              | 1,773                 | 73,933              | 126,824               | -                     | 10,460                | 18,099              | 29,022              | 73,933              | 9,988,261             | 16,113,840            |
| 9 In-Kind   | 184,003              | 28,586              | 1,131                 | 2,948               | 126,515             | 700                   | 4,175               | 10,135                | -                     | 2,948                 | 123,870             | -                   | 4,175               | 1,259,165             | 1,748,351             |
| 10 Compensation and Benefits Provided by 3rd Party  | -                    | -                   | -                     | -                   | -                   | -                     | -                   | -                     | -                     | -                     | -                   | -                   | -                   | -                     | -                     |
| 11 Media Rights   | 16,668,000           | 4,167,000           | -                     | -                   | -                   | -                     | -                   | -                     | -                     | -                     | -                   | -                   | -                   | -                     | 20,835,000            |
| 12 NCAA Distributions   | 46,153               | 35,028              | 1,394                 | 10,415              | 2,463               | 34,857                | 17,947              | 114,247               | 13,285                | 20,764                | 15,437              | 11,792              | 25,305              | 860,579               | 1,209,666             |
| 13 Conference Distributions (Non Media and Non Bowl)  | 7,508,750            | 1,411,500           | -                     | -                   | -                   | -                     | -                   | -                     | 30,000                | -                     | -                   | -                   | -                   | 1,277,069             | 10,227,319            |
| 14 Programs, Concessions, Novelty, Parking and Concession Sales                             | 1,143,245            | 194,609             | 22,477                | -                   | -                   | 246                   | -                   | 6,310                 | 12,994                | -                     | -                   | -                   | -                   | 928,000               | 2,307,881             |
| 15 Royalties, Licensing, Adv, Sponsorships  | 30,375               | -                   | -                     | -                   | -                   | -                     | -                   | -                     | -                     | -                     | 5,000               | -                   | -                   | 8,707,473             | 8,742,848             |
| 16 Sports Camps Revenues  | 68,995               | 208,767             | 127,433               | -                   | 64,868              | 53,655                | -                   | 357,759               | 182,795               | -                     | -                   | 11,711              | -                   | 23,711                | 1,099,694             |
| 17 Endowment and Investment Income  | 461,375              | 21,275              | 41,925                | 7,888               | 34,300              | 825                   | 198,748             | -                     | 3,850                 | 7,888                 | 4,675               | 8,425               | 198,748             | 693,522               | 1,683,444             |
| 18 Other  | 246,578              | (121,279)           | 540                   | 12,725              | -                   | 1,690                 | 9,708               | 180                   | 2,250                 | 12,725                | -                   | 980                 | 9,708               | 4,157,796             | 4,333,601             |
| 19 Bowl Revenues  | -                    | -                   | -                     | -                   | -                   | -                     | -                   | -                     | -                     | -                     | -                   | -                   | -                   | -                     | -                     |
| <b>Total revenues</b>   | <b>43,461,697</b>    | <b>9,310,819</b>    | <b>841,177</b>        | <b>388,804</b>      | <b>441,264</b>      | <b>468,949</b>        | <b>456,267</b>      | <b>875,677</b>        | <b>484,746</b>        | <b>371,223</b>        | <b>325,711</b>      | <b>176,172</b>      | <b>403,985</b>      | <b>36,928,707</b>     | <b>94,935,198</b>     |
| <b>Expenses</b>   |                      |                     |                       |                     |                     |                       |                     |                       |                       |                       |                     |                     |                     |                       |                       |
| 20 Athletic Student Aid   | 4,954,571            | 778,807             | 804,029               | 515,506             | 231,731             | 597,094               | 423,883             | 872,117               | 689,246               | 800,511               | 338,504             | 329,363             | 430,901             | 38,586                | 11,804,849            |
| 21 Guarantees   | 400,000              | 411,501             | 87,480                | -                   | -                   | -                     | -                   | 3,466                 | 31,457                | -                     | -                   | -                   | -                   | -                     | 933,904               |
| 22 Coaching Salaries, Benefits, Bonuses   | 8,338,928            | 3,834,933           | 1,084,997             | 351,682             | 258,296             | 379,932               | 177,464             | 568,934               | 554,209               | 351,682               | 250,811             | 249,546             | 177,464             | -                     | 16,578,878            |
| 23 Coaching Compensation Paid by 3rd Party  | -                    | -                   | -                     | -                   | -                   | -                     | -                   | -                     | -                     | -                     | -                   | -                   | -                   | -                     | -                     |
| 24 Admin Salaries, Benefits, Bonuses  | 1,256,592            | 464,437             | 269,073               | 49,947              | 18,369              | 26,890                | 18,805              | 119,751               | 180,598               | 49,947                | 15,465              | 17,574              | 18,805              | 12,636,285            | 15,142,538            |
| 25 Admin Compensation Paid by 3rd Party   | -                    | -                   | -                     | -                   | -                   | -                     | -                   | -                     | -                     | -                     | -                   | -                   | -                   | -                     | -                     |
| 26 Severance Payments   | 8,149,244            | -                   | 252,869               | -                   | -                   | -                     | -                   | -                     | -                     | -                     | -                   | -                   | 92,315              | -                     | 8,494,428             |
| 27 Recruiting   | 775,313              | 159,073             | 131,450               | 18,731              | 23,748              | 34,744                | 4,126               | 49,490                | 49,722                | 26,288                | 23,611              | 39,998              | 5,406               | -                     | 1,341,700             |
| 28 Team Travel  | 1,155,371            | 462,664             | 262,970               | 230,715             | 119,959             | 253,341               | 106,451             | 146,845               | 239,259               | 230,715               | 114,552             | 63,994              | 106,451             | -                     | 3,493,287             |
| 29 Equipment, Uniforms, Supplies  | 848,632              | 85,006              | 87,807                | 67,412              | 67,445              | 65,677                | 49,923              | 50,628                | 45,028                | 67,412                | 46,725              | 42,847              | 49,923              | -                     | 1,574,465             |
| 30 Game Expenses  | 2,458,151            | 701,110             | 309,724               | 23,846              | -                   | 58,821                | 1,423               | 56,672                | 87,536                | 23,846                | -                   | 8,042               | 1,423               | 20,114                | 3,750,708             |
| 31 Fund Raising, Marketing, Promotion   | 279                  | -                   | 294                   | -                   | 16,800              | -                     | 37,956              | -                     | -                     | -                     | 5,386               | -                   | 37,956              | 1,684,030             | 1,782,701             |
| 32 Sport Camp Expenses  | 14,478               | 88,690              | 65,422                | -                   | 47,635              | 28,971                | -                   | 183,449               | 97,925                | -                     | -                   | 3,015               | -                   | 3,213                 | 532,798               |
| 33 Spirit Groups  | -                    | -                   | -                     | -                   | -                   | -                     | -                   | -                     | -                     | -                     | -                   | -                   | -                   | 350,441               | 350,441               |
| 34 Athletic Facilities, Debt Service, Rental  | 12,420               | -                   | -                     | -                   | 120,050             | -                     | 6,250               | 131                   | 120                   | -                     | 125,922             | 17,051              | 6,250               | 11,868,563            | 12,156,757            |
| 35 Direct Overhead & Admin Expenses   | 24,652               | 55,974              | 8,764                 | 25,536              | 4,912               | 7,427                 | 13,360              | 24,609                | 14,261                | 25,536                | 852                 | 33,460              | 13,360              | 8,432,176             | 8,684,879             |
| 36 Indirect Institutional Support   | -                    | -                   | -                     | -                   | -                   | -                     | -                   | -                     | -                     | -                     | -                   | -                   | -                   | 2,436,499             | 2,436,499             |
| 37 Medical Expenses   | 324,677              | 65,283              | 59,992                | 13,167              | 7,384               | 27,155                | 18,825              | 42,486                | 20,158                | 45,667                | 22,504              | 29,632              | 23,682              | 581,515               | 1,282,127             |
| 38 Memberships and Dues   | 215                  | 1,120               | 450                   | 350                 | 2,295               | 625                   | 530                 | 324                   | 853                   | 350                   | 826                 | 550                 | 530                 | 65,204                | 74,222                |
| 39 Student-Athlete Meals (non-travel)   | 458,127              | 49,009              | 35,288                | 13,894              | 1,780               | 28,335                | 1,359               | 37,925                | 47,098                | 13,894                | 1,576               | 5,715               | 1,359               | 1,085,760             | 1,781,119             |
| 40 Other Operating Expenses   | 448,389              | 95,379              | 236,014               | 24,046              | 16,155              | 34,066                | 29,748              | 146,978               | 78,900                | 25,549                | 13,285              | 11,005              | 28,889              | 5,005,741             | 6,194,144             |
| 41 Bowl Expenses  | 22,843               | -                   | -                     | -                   | -                   | -                     | -                   | -                     | -                     | -                     | -                   | -                   | -                   | -                     | 22,843                |
| <b>Total operating expenses</b>   | <b>29,642,882</b>    | <b>7,252,986</b>    | <b>3,696,623</b>      | <b>1,334,832</b>    | <b>936,559</b>      | <b>1,543,078</b>      | <b>890,103</b>      | <b>2,303,805</b>      | <b>2,136,370</b>      | <b>1,661,397</b>      | <b>960,019</b>      | <b>944,107</b>      | <b>902,399</b>      | <b>44,208,127</b>     | <b>98,413,287</b>     |
| <b>Excess (deficit) of revenues over expenses</b>   | <b>\$ 13,818,815</b> | <b>\$ 2,057,833</b> | <b>\$ (2,855,446)</b> | <b>\$ (946,028)</b> | <b>\$ (495,295)</b> | <b>\$ (1,074,129)</b> | <b>\$ (433,836)</b> | <b>\$ (1,428,128)</b> | <b>\$ (1,651,624)</b> | <b>\$ (1,290,174)</b> | <b>\$ (634,308)</b> | <b>\$ (767,935)</b> | <b>\$ (498,414)</b> | <b>\$ (7,279,420)</b> | <b>\$ (3,478,089)</b> |

See accompanying notes to the statement of revenues and expenses.



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

---

**1. BASIS OF ACCOUNTING**

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

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

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

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

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

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

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

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

| <i>Asset Class</i>                | <i>Years</i> |
|-----------------------------------|--------------|
| Buildings                         | 12 – 50 *    |
| Improvements other than buildings | 10 – 40      |
| Equipment                         | 2 – 17       |

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

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

**3. CAPITAL ASSETS**

The following table presents changes in the Department's capital assets and accumulated depreciation for the year ended June 30, 2019. For the year ended June 30, 2019, the Department had \$3,788,959 in athletics related capital expenditures.

|  | <i>Beginning<br/>Balance</i> | <i>Additions</i>      | <i>Adjustment</i> | <i>Decreases</i> | <i>Ending Balance</i> |
|--|------------------------------|-----------------------|-------------------|------------------|-----------------------|
| <i>Capital Assets not being depreciated:</i> |                              |                       |                   |                  |                       |
| Collections                                  | \$ 469,668                   | \$ -                  | \$ -              | \$ -             | \$ 469,668            |
| <i>Capital Assets being depreciated:</i>     |                              |                       |                   |                  |                       |
| Buildings                                    | 273,656,008                  | 3,696,268             | -                 | -                | 277,352,276           |
| Improvements Other Than Buildings            | 10,700,074                   | -                     | -                 | -                | 10,700,074            |
| Equipment                                    | 3,836,862                    | 92,691                | -                 | -                | 3,929,553             |
| <b>Total Capital Assets:</b>                 | <b>\$ 288,662,612</b>        | <b>\$ 3,788,959</b>   | <b>\$ -</b>       | <b>\$ -</b>      | <b>\$ 292,451,571</b> |
| <i>Less Accumulated Depreciation for:</i>    |                              |                       |                   |                  |                       |
| Buildings                                    | 65,299,358                   | 8,235,372             | -                 | -                | 73,534,730            |
| Improvements other than Buildings            | 6,837,258                    | 521,157               | -                 | -                | 7,358,415             |
| Equipment                                    | 2,597,936                    | 330,543               | -                 | -                | 2,928,479             |
| <b>Total Accumulated Depreciation:</b>       | <b>\$ 74,734,552</b>         | <b>\$ 9,087,072</b>   | <b>\$ -</b>       | <b>\$ -</b>      | <b>\$ 83,821,624</b>  |
| <b>Capital Assets, Net</b>                   | <b>\$ 213,928,060</b>        | <b>\$ (5,298,113)</b> | <b>\$ -</b>       | <b>\$ -</b>      | <b>\$ 208,629,947</b> |

**4. CONCENTRATION OF DONOR SOURCES**

The University of Colorado Foundation was the single largest donor source to the Department with cash contributions of \$12,829,169, for a total of 72% of total contributions, endowments donations and investment income for the year ended June 30, 2019. The cash contributions received from the Foundation represent gifts from various donors made for the benefit of the Department.

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

**5. LONG-TERM OBLIGATIONS**

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

|   | <i>Beginning<br/>Balance</i> | <i>Additions</i>     | <i>Reductions</i>      | <i>Ending Balance</i> |
|---|------------------------------|----------------------|------------------------|-----------------------|
| Enterprise System Revenue Bonds, Series 2007A/2015C: Used to Refunding Bonds, Series 1995A (East Stadium Project) and Enterprise System Revenue Bonds, Series 2002B   | \$ 18,385,000                | \$ -                 | \$ (245,000)           | \$ 18,140,000         |
| Internal Loan with University Issued July 2013: Used to fund Big 12 separation costs, severance payments, Video Boards and other Projects   | 8,035,945                    | -                    | (8,035,945)            | -                     |
| Enterprise System Revenue Bonds, Series 2009B1 and 2009B2: Basketball/Volleyball Practice Facility  | 4,135,000                    | -                    | (4,135,000)            | -                     |
| Enterprise System Revenue Bonds 2014A Long and Short Used to fund renovations of DalWard and Folsom Stadium and Construction of the Champions Center and Indoor Practice Facility   | 26,205,000                   | -                    | (3,855,000)            | 22,350,000            |
| Internal Loan with University Used to fund ESCO project at Coors Event Center   | 2,188,608                    | -                    | (2,188,608)            | -                     |
| Enterprise System Revenue Bonds, Series 2017A1: Used to refund Refunding Bonds, Series 2002B, 2007A and 2015C   | 6,730,000                    | -                    | (1,740,000)            | 4,990,000             |
| Enterprise System Revenue Bonds, Series 2017A2: Used to partially refund Enterprise System Revenue Bonds Series 2012B, 2013A and 2014A and to establish escrow accounts for the cross-over refunding of Series 2009B, 2010A and 2010C | 102,625,000                  | -                    | (205,000)              | 102,420,000           |
| Internal Loan with University Used to fund Athletics Complex  | 9,840,102                    | -                    | (9,840,102)            | -                     |
| Internal Loan Refinance A and B   | -                            | 18,989,893           | -                      | 18,989,893            |
| Internal Loan with University   | 741,643                      | -                    | (741,643)              | -                     |
| <i>Total Bonds and Loans Payable</i>  | <u>\$ 178,886,298</u>        | <u>\$ 18,989,893</u> | <u>\$ (30,986,298)</u> | <u>\$ 166,889,893</u> |

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

**5. LONG-TERM OBLIGATIONS (CONTINUED)**

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

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

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

As of June 30, 2019, institutional debt totaled \$858,785,767. Of this amount, \$147,900,000 was athletics-related debt. Additionally, there is a balance of \$21,072,112 related to internal institutional loans taken out by the Department for further funding.

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

| <i>Year Ended<br/>June 30</i> | <i>Revenue Bonds</i>  |                      | <i>University Treasury<br/>Internal Loan</i> |                     |
|-------------------------------|-----------------------|----------------------|--|---------------------|
|                               | <i>Principal</i>      | <i>Interest</i>      | <i>Principal</i>                             | <i>Interest</i>     |
| 2020                          | \$ 6,955,000          | \$ 6,293,653         | \$ 1,096,717                                 | \$ 473,229          |
| 2021                          | 7,080,000             | 6,007,265            | 1,171,400                                    | 473,132             |
| 2022                          | 7,575,000             | 5,661,138            | 1,202,336                                    | 442,196             |
| 2023                          | 7,895,000             | 5,342,017            | 1,234,095                                    | 410,437             |
| 2024                          | 8,235,000             | 5,005,010            | 1,266,699                                    | 377,833             |
| 2025-2029                     | 38,350,000            | 20,324,504           | 6,853,754                                    | 1,368,906           |
| 2030-2034                     | 16,525,000            | 17,889,481           | 6,164,892                                    | 413,236             |
| 2035-2046                     | 55,285,000            | 14,182,024           | -  | -                   |
| Total                         | <u>\$ 147,900,000</u> | <u>\$ 80,705,092</u> | <u>\$ 18,989,893</u>                         | <u>\$ 3,958,969</u> |

**6. ENDOWMENTS**

As of June 30, 2019, institutional endowments (held at the Foundation) totaled \$705,655,636. Of this amount, \$24,315,200 was athletics dedicated endowments.