

**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, 2022



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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, 2022. The Department is responsible for the Statement and compliance with reporting requirements of the National Collegiate Athletic Association (NCAA) Bylaw 3.2.4.17 for the year ended June 30, 2022.

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, 2022. 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, 2022, 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, 2022. We observed 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 observe any expenditures paid by the Foundation on behalf of the Department to outside vendors per discussion with management and per inspection 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, 2022, to those for the year ended June 30, 2021, 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:

Contributions – The \$5,417,242 (96.8%) increase was driven by increased attendance at sponsored contests which resulted in more premium and priority contributions received by the Department as compared to the prior year which was effected by the COVID-19 pandemic.

Direct Institutional Support – The \$2,616,247 (14.8%) increase was driven by the Colorado State University's budgeted support of the Department being increased. In the prior year, budgeted support by the University was decreased in response to uncertainties caused by the COVID-19 pandemic.

Royalties, Advertisements, and Sponsorships – The \$753,207 (13.4%) increase was due to an increase in sponsorships due to an increase in events hosted which additionally led to increased royalties from merchandise sales.

Budget to Actual:

We observed when performing agreed-upon procedures 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 Revenues and Expenses line items such as indirect institutional support, the allocation to athletics for the University general and administrative expenses, 3rd 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.

Other Self-Generated Revenue – The \$3,597,852 (57.4%) variance over budget was due to Conference, Contributions, and NCAA revenues all being better than anticipated.

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. No exceptions noted.

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. No exceptions noted.

Direct State or Other Governmental Support

- 8. We were asked to compare direct state or other governmental support recorded by the institution during the reporting period with state appropriations, institutional authorization and/or other corroborative supporting documentation and recalculate totals.
 - a. As there was no Direct State or Other Governmental Support revenue for the year ended June 30, 2022, the procedure was not performed.

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, 2022, 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 requiring the performance of procedures.

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 requiring the performance of procedures.
- 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 requiring the performance of procedures.

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, 2022 and inspected 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 there was no In-Kind revenue for the year ended June 30, 2022, the 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 requiring the performance of procedures.

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 requiring the performance of procedures.

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 requiring the performance of procedures.

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 requiring the performance of procedures.
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 requiring the performance of procedures.

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 requiring the performance of procedures.

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 requiring the performance of procedures.

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 requiring the performance of procedures.

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 requiring the performance of procedures.

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 requiring the performance of procedures.

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 requiring the performance of procedures.

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 requiring the performance of procedures.

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 there were no Bowl Revenues for the year ended June 30, 2022, the 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 there were no Bowl Revenues for the year ended June 30, 2022, the 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, 2022, to those for the year ended June 30, 2021, 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:

Coaching Salaries, Benefits, and Bonuses Paid By the University and Related Entities - The \$1,500,329 (16.8%) increase was due to contract incentives being met for Men's Basketball for post-season tournament results. Additionally, overlap during the Men's Football staff transition resulted in additional payroll disbursements due to timing.

Budget to Actual:

We observed when performing agreed-upon procedures 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.

Salaries and Benefits – The \$2,520,836 (15.2%) variance over budget was due to unbudgeted severance payments being made to Men’s Football coaching staff.

Operations – The \$4,483,343 (43.0%) variance over budget was due to increased expenses resulting from full competition schedule, football staff transition and operations returning to pre-pandemic levels. The Department was conservative when creating the current fiscal year’s operations budget due to prevailing uncertainties related to the COVID-19 pandemic.

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 procedures for each student selected above with respect to their information as reported in either the NCAA’s Compliance Assistant software or entered directly into the NCAA Membership Financial Reporting System using the following criteria without exception:
 - 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, confirm that 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, confirm that 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 requiring the performance of procedures.

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 requiring the performance of procedures.

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 requiring the performance of procedures.

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 requiring the performance of procedures.
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 requiring the performance of procedures.
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 requiring the performance of procedures.

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 requiring the performance of procedures.
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 requiring the performance of procedures.

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 requiring the performance of procedures.

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 requiring the performance of procedures.

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 requiring the performance of procedures.

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 requiring the performance of procedures.

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 requiring the performance of procedures.

Team Travel

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

- a. No exceptions noted.

32. We compared and agreed to existing institutional and NCAA-related policies.

- a. No exceptions noted.

33. We obtained general ledger detail and compared to the total expenses reported. We recalculated totals.

- a. No exceptions noted.

Equipment, Uniforms and Supplies

34. We obtained general ledger detail and compared to the total expenses reported. We were also asked to select a sample of five equipment, uniform and supply expense transactions on which to perform procedures.

- a. As the total category balance was less than 4.0% of total expenses, it did not meet the threshold requiring the performance of procedures.

Game Expenses

35. We were asked to obtain general ledger detail and compare to the total expenses reported. We were also asked to select a sample of five game expense transactions on which to perform procedures.

- a. As the total category balance was less than 4.0% of total expenses, it did not meet the threshold requiring the performance of procedures.

Fund Raising, Marketing and Promotion

36. We were asked to obtain general ledger detail and compare to the total expenses reported. We were also asked to select a sample of five fund raising, marketing and promotion expense transactions on which to perform procedures.

- a. As the total category balance was less than 4.0% of total expenses, it did not meet the threshold requiring the performance of procedures.

Sports Camp Expenses

37. We were asked to obtain general ledger detail and compare to the total expenses reported. We were also asked to select a sample of five sport camp expense transactions on which to perform procedures.

- a. As the total category balance was less than 4.0% of total expenses, it did not meet the threshold requiring the performance of procedures.

Spirit Groups

38. We were asked to obtain general ledger detail and compare to the total expenses reported. We were also asked to select a sample of five spirit group expense transactions on which to perform procedures.

- a. As the total category balance was less than 4.0% of total expenses, it did not meet the threshold requiring the performance of procedures.

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. We were also asked to select a sample of five direct overhead and administration expense transactions on which to perform procedures.

- a. As the total category balance was less than 4.0% of total expenses, it did not meet the threshold requiring the performance of procedures.

Indirect Institutional Support

42. This procedure is performed in conjunction with procedures performed on Indirect Institutional Support – Revenue.

- a. As the total category balance was less than 4.0% of total expenses, it did not meet the threshold requiring the performance of procedures.

Medical Expenses and Medical Insurance

43. We were asked to obtain general ledger detail and compare to the total expenses reported. We were also asked to select a sample of five medical expenses and medical insurance expense transactions on which to perform procedures.

- a. As the total category balance was less than 4.0% of total expenses, it did not meet the threshold requiring the performance of procedures.

Memberships and Dues

44. We were asked to obtain general ledger detail and compare to the total expenses reported. We were also asked to select a sample of five membership and dues expense transactions on which to perform procedures.

- a. As the total category balance was less than 4.0% of total expenses, it did not meet the threshold requiring the performance of procedures.

Other Operating Expenses and Transfers to Institution

45. We were asked to obtain general ledger detail and compare to the total expenses reported. We selected a sample of five other operating and transfers to institution expense transactions on which to perform procedures. We agreed the five selections to supporting documentation such as vendor invoices and recalculated totals.

- a. No exceptions noted.

Student-Athlete Meals (non-travel)

46. We were asked to obtain general ledger detail and compare to the total expenses reported. We were also asked to select a sample of five student-athlete meal expense transactions on which to perform procedures.

- a. As the total category balance was less than 4.0% of total expenses, it does not meet the threshold requiring the performance of procedures.

Bowl Expenses

47. We were asked to obtain the general ledger detail and compare to the total expenses reported. We were also asked to select a sample of five bowl expense transactions on which to perform procedures.

- a. As there were no Bowl Expenses for the year ended June 30, 2022, the 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 greater 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 Football (19.8%), Men's Track-Outdoor (100%), Women's Basketball (16.6%), Women's Golf (5.2%) Women's Soccer (6.4%), Women's Swimming and Diving (6.8%) and Women's Track-Outdoor (100%).
 - ii. The following sponsored sports total reported equivalencies increased greater than 4% due to coaches decisions to award more scholarships; Men's Basketball (18.5%), Women's Tennis (4.7%) and Women's Track-Indoor (100%).

2. For Sports Sponsorship:

Obtained the institution's Sports Sponsorship and Demographics Forms Report for the reporting year. We observed 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 observed 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 on which procedures were performed in step D.6 above should agree to any selected student athletes who received Pell Grants back to the report of all student athlete Pell Grants. 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. No variances greater than +/- 20 grants were noted.

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 on which to perform procedures and recalculate totals. As there were no excess transfers to institution and conference realignment expenses for the year ended June 30, 2022, 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. We compared a sample of five athletics related capital expenditures to supporting invoices observing the amount and other information agreed without exception.

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, 2022. 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.

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.



CliftonLarsonAllen LLP

Broomfield, Colorado
January 11, 2023

COLORADO STATE UNIVERSITY
DEPARTMENT OF INTERCOLLEGIATE ATHLETICS
STATEMENT OF REVENUES AND EXPENSES
For the Year Ended June 30, 2022 (Unaudited)

	Football	Men's Basketball	Women's Basketball	Other Sports	Non Program Specific	Total
Revenues						
Ticket Sales	\$ 3,547,485	\$ 955,820	\$ 71,617	\$ 167,312	\$ -	\$ 4,742,234
Student Fees	-	-	-	-	5,965,065	5,965,065
Guarantees	1,350,747	420	6,000	-	-	1,357,167
Contributions	6,097,769	338,248	54,012	382,816	4,121,306	10,994,151
Compensation and Benefits Provided by 3rd Party	-	5,000	5,000	20,942	-	30,942
Direct State or Other Government Support	-	-	-	-	-	-
Direct Institutional Support	-	-	-	-	20,317,794	20,317,794
Indirect Institutional Support	52,402	481,307	441,112	715,924	254,153	1,944,898
NCAA Distributions	-	46,125	-	14,380	1,113,220	1,173,725
Conference Distributions (Non Media and Non Bowl)	124,199	16,500	16,500	-	2,040,485	2,197,684
Media Rights	2,411,750	643,133	160,783	-	-	3,215,666
Programs, Concessions, Novelty, Parking and Concession Sales	703,408	343,747	40,062	65,477	-	1,152,694
Royalties, Licensing, Advertising, Sponsorships	4,763,486	-	-	-	1,623,139	6,386,625
Sports Camps Revenues	126,806	10,825	9,825	414,217	66,427	628,100
Endowment and Investment Income	43,363	29,763	10,658	73,004	(30,383)	126,405
Other	48,467	37,740	3,335	79,981	860,557	1,030,080
Total Revenues	\$ 19,269,882	\$ 2,908,628	\$ 818,904	\$ 1,934,053	\$ 36,331,763	\$ 61,263,230
Expenses						
Athletic Student Aid	\$ 3,697,788	\$ 696,059	\$ 598,961	\$ 4,399,117	\$ 77,820	\$ 9,469,745
Guarantees	450,000	290,000	64,000	16,568	-	820,568
Coaching Salaries, Benefits, and Bonuses paid by the University	5,416,995	2,132,166	723,235	2,316,681	-	10,589,077
Coaching Salaries, Camps	-	-	-	94,920	-	94,920
Coaching Compensation Paid by 3rd Party	-	5,000	5,000	20,942	-	30,942
Admin Salaries, Benefits, Bonuses paid by University and Related Entities	1,043,316	300,373	132,196	107,385	5,933,505	7,516,775
Support Salaries, Camps	909	-	-	60,514	11,403	72,826
Severance Payments	1,625,088	-	-	(27,305)	(8,324)	1,589,459
Recruiting	582,823	203,782	98,589	145,620	-	1,030,814
Team Travel	910,943	880,496	478,412	1,412,499	6,795	3,689,145
Equipment, Uniforms, Supplies	884,626	149,288	126,557	812,894	154,565	2,127,930
Game Expenses	1,196,318	283,546	193,615	249,028	84,488	2,006,995
Fund Raising, Marketing, and Promotion	26,718	51,431	8,592	34,007	661,338	782,086
Sport Camp Expenses	63,432	1,914	8,324	166,985	9,450	250,105
Direct Facilities, Maintenance, and Rental Athletic Facilities, Debt Service, Lease and Rental Fees	1,339,059	-	113	3,242	178,984	1,521,398
Spirit Groups	12,574,192	-	-	-	-	12,574,192
Indirect Institutional Support	-	-	-	-	106,719	106,719
Medical Expenses and Medical Insurance	52,402	481,307	441,112	715,923	254,153	1,944,897
Memberships and Dues	7,361	6,876	9,154	35,179	495,457	554,027
Other Operating Expenses	1,320	450	1,320	23,827	620,036	646,953
Student-Athlete Meals (non-travel)	397,748	159,723	36,302	110,660	2,121,463	2,825,896
Student-Athlete Meals (non-travel)	653,711	88,029	33,398	22,978	176,912	975,028
Total Operating Expenses	\$ 30,924,749	\$ 5,730,440	\$ 2,958,880	\$ 10,721,664	\$ 10,884,764	\$ 61,220,497
Excess (Deficit) of Revenues Over Expenses	\$ (11,654,867)	\$ (2,821,812)	\$ (2,139,976)	\$ (8,787,611)	\$ 25,446,999	\$ 42,733

See accompanying notes to the statement of revenues and expenses.

COLORADO STATE UNIVERSITY
DEPARTMENT OF INTERCOLLEGIATE ATHLETICS
NOTES TO THE STATEMENT OF REVENUES AND EXPENSES
FOR THE YEAR ENDED JUNE 30, 2022 (Unaudited)

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 Non-Program Specific category.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

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

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 THE STATEMENT OF REVENUES AND EXPENSES
FOR THE YEAR ENDED JUNE 30, 2022 (Unaudited)**

3. CAPITAL EXPENDITURES

During the year ended June 30, 2022, 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	\$ 1,798,374
Equipment and Software	<u>159,144</u>
	<u>\$ 1,957,518</u>

4. CONCENTRATION OF DONOR SOURCES

The Colorado State University Foundation was the single largest donor source to the Department with cash contributions of \$5,240,241, for a total of 47% of total contributions, endowments donations and investment income for the year ended June 30, 2022. 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 18.7% of the total University outstanding balance of \$1,205,459,149 at June 30, 2022.

The total Department debt service expenditures for the fiscal year ended June 30, 2022 were \$1,615,165.

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>
2023	\$ -	\$ 1,612,919	\$ 1,612,919
2024	4,560,000	7,994,346	12,554,346
2025	4,700,000	7,850,312	12,550,312
2026	4,355,000	5,735,587	10,090,587
2027	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>\$ 113,748,904</u>	<u>\$ 338,868,904</u>

6. ENDOWMENT FUNDS

Endowment funds held by the Colorado State University Foundation totaled \$526,125,401 at June 30, 2022. Included in this total is \$5,042,011 of endowments dedicated for the benefit of the Department.



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