



REPORT OF INDEPENDENT ACCOUNTANTS

**WESTERN COLORADO UNIVERSITY**

Agreed-Upon Procedures in Accordance with National  
Collegiate Athletic Association Bylaw 6.2.3.1

For the Year Ended June 30, 2022



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## **Table of Contents**

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	PAGE
<b>Report of Independent Accountants</b>	1–10
<b>Statement of Revenues and Expenses (Unaudited)</b>	11
<b>Notes to Statement of Revenues and Expenses (Unaudited)</b>	12

## Report of Independent Accountants

Brad Baca  
Western Colorado University  
Gunnison, Colorado

We have performed the procedures enumerated below on the Intercollegiate Athletics Department (the "Department") Statement of Revenues and Expenses (the "Statement") of the Western Colorado University (the "University" or "WCU") for the year ended June 30, 2022 (the "Reporting Period") as prepared in accordance with the National Collegiate Athletic Association ("NCAA") guidelines as contained in the NCAA 2022 Agreed-Upon Procedures Manual (the "Manual"). The University's management is responsible for the Statement and the Statement's compliance with requirements of NCAA Constitution Bylaw 6.2.3.1 for the year ended June 30, 2022.

The University's management has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of evaluating the revenues and expenses of the Department of the University for the Reporting Period, in order to meet the requirements of NCAA Constitution Bylaw 6.2.3.1. Additionally, the Members of the Legislative Audit Committee, Office of the State Auditor of the State of Colorado, and the Board of Trustees have agreed to and acknowledged that the procedures performed are appropriate to meet their purposes. 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.

### **Agreed-Upon Procedures Related to the Statement of Revenues and Expenses of the Intercollegiate Athletics Department of Western Colorado University**

The procedures that we performed and our findings are as follows:

#### **Minimum Agreed-Upon Procedures for Affiliated and Outside Organizations**

Procedure 1: We obtained from the University a listing of intercollegiate athletics-related affiliated, outside organizations, agencies or individuals (not under the University's accounting control, as defined in the Manual) that made contributions directly to the Department during the Reporting Period. The only organization identified was the Western Colorado University Foundation (the "Foundation"). We obtained supporting documentation for the amounts contributed by the Foundation, noting \$528,787 of cash was contributed to the Department. We obtained the audited financial statements and other reports to management regarding matters related to the internal control structure of the Foundation and did not note any material weaknesses.

Procedure 2: We obtained from the University a listing of expenditures paid by an outside organization during the Reporting Period on behalf of the Department and compared the amounts to the revenues recorded by the University, noting no exceptions.

### **Notes and Disclosures included in the Statement for the Department**

- Procedure 1: We read the notes and disclosures included in the Statement for the Reporting Period and noted that the University disclosed that there was one organization which made contributions which constituted more than 10.0% of all contributions received by the Department during the reporting period. We noted the source of the contributed funds along with the value is disclosed in the notes to the Statement.
- Procedure 2: We obtained the University's policies and procedures during the Reporting Period for acquiring, approving, depreciating, and disposing of the Department's related assets. We noted that a description of these policies and procedures is disclosed in the notes to the Statement.
- Procedure 3: We were informed by management that there were no capital asset additions during the Reporting Period and, therefore, no procedures were performed.
- Procedure 4: We were informed by management that there is no Department debt maintained by the University for the Reporting Period and, therefore, no procedures were performed.

### **Minimum NCAA Agreed-Upon Procedures for Revenues**

- Procedure 1: We compared and agreed each operating revenue category reported in the Statement during the Reporting Period to supporting schedules provided by the University without exception. We obtained the Statement for the Reporting Period and noted that the amounts reported on the Statement agreed to or could be reconciled to the University's general ledger without exception. No procedures were performed if a specific reporting category was less than 4.0% of total revenues.
- Procedure 2: We compared each major revenue account over 10.0% of the total revenues reported on the Statement, by the Department, for the Reporting Period, to budget estimates for the Reporting Period and to totals for the year ended June 30, 2021, and obtained explanations from management on variances over 10.0%. There were no variances over 10.0% from budget. There was one variance over the prior year as follows:
- a. *Direct Institutional Support* – The increase primarily relates to an increase in general fund funding for fiscal year 2022. Furthermore, there were additional funds allocated to support athletics. For the Reporting Period, the direct institutional support received increased by \$475,000 or 13.8%, when compared to actual direct institutional support for the year ended June 30, 2021.

### **Ticket Sales**

- Procedure 3: Ticket sales revenue recorded in the Statement for the Reporting Period is less than 4.0% of the total revenues; therefore, no procedures were performed for this specific category.

## **Student Fees**

Procedure 4: We compared and agreed student fees reported by the University in the Statement for the Reporting Period to student enrollments during the same Reporting Period, noting no exceptions. We obtained an understanding of the University's methodology for allocating student fees to the Department for the Reporting Period. We were informed that management examines factors of equitable distribution of funds per gender adjusted to account for estimated travel costs to operate each sport. We recalculated student fees and compared them to student fees per the Statement, without exception. We recalculated the student fees allocated to each countable sport and agreed the calculation to supporting documentation for student fee totals, without exception.

## **Direct State or Other Governmental Support**

Procedure 5: We were informed by management that the University does not have direct state or other governmental support for the Reporting Period and, therefore, no procedures were performed for this specific category.

## **Direct Institutional Support**

Procedure 6: We compared each type of direct institutional support recorded by the University on the Statement during the Reporting Period to authorized amounts in the University's budget approved by the University's Board of Trustees and agreed to corroborative supporting documentation provided by the University, noting no exceptions. We recalculated the direct institutional support totals, noting no exceptions.

## **Transfers Back to Institution**

Procedure 7: We were informed by management that there was no transfer of funds back to the University from the Department for the Reporting Period and, therefore, no procedures were performed for this specific category.

## **Indirect Institutional Support**

Procedure 8: We compared the indirect institutional support recorded by the University on the Statement during the Reporting Period with expense payments, cost allocation details, and other corroborative supporting documentation provided by the University without exception. We recalculated totals in the breakout of indirect institutional support, without exception.

## **Guarantees**

Procedure 9: Guarantees recorded in the Statement for the Reporting Period are less than 4.0% of the total revenues; therefore, no procedures were performed for this specific category.

## **Contributions**

Procedure 10: We obtained from University a detailed listing of contributions received directly by the Department, which identified any contributions from outside organizations, agencies, or groups of individuals (two or more), that constituted 10.0% or more of all contributions received for the Department during the year ended June 30, 2022. There were no contributions not already included with those contributions identified under Minimum Agreed-Upon Procedures for Affiliated and Outside Organizations section above that constitutes 10.0% or more of all contributions received for the Department during the Reporting Period. We recalculated totals and agreed to the Statement without exception.

## **In-Kind**

Procedure 11: In-Kind revenues recorded in the Statement for the Reporting Period are less than 4.0% of the total revenues; therefore, no procedures were performed for this specific category.

## **Compensation and Benefits Provided by a Third Party**

Procedure 12: Compensation and benefits provided by a third party recorded in the Statement for the Reporting Period are less than 4.0% of the total revenues; therefore, no procedures were performed for this specific category.

## **Media Rights**

Procedure 13: We were informed by management that there was no media rights revenue recorded in the Statement for the Reporting Period and, therefore, no procedures were performed for this specific category.

## **NCAA Distributions**

Procedure 14: NCAA distributions recorded in the Statement for the Reporting Period are less than 4.0% of the total revenues; therefore, no procedures were performed for this specific category.

## **Conference Distributions and Conference Distributions of Football Bowl Generated Revenue**

Procedure 15: Conference distribution and conference distributions of football bowl generated revenue recorded in the Statement for the Reporting Period is less than 4.0% of the total revenues and, therefore, no procedures were performed for this specific category.

## **Program Sales, Concessions, Novelty Sales and Parking**

Procedure 16: Program sales, concessions, novelty sales and parking revenues recorded in the Statement for the Reporting Period is less than 4.0% of the total revenues; therefore, no procedures were performed for this specific category.

## **Royalties, Licensing, Advertisements and Sponsorships**

Procedure 17: We were informed by management that the University did not have revenues related to royalties, licensing, advertisements and sponsorships for the Reporting Period and, therefore, no procedures were performed for this specific category.

### **Sports Camp Revenues**

Procedure 18: We obtained a description of the University's methodology for recording revenues from sports camps. Management informed us that each sport runs their own camp and retains their revenues. We obtained a listing of sports camp participants and haphazardly selected a sample of five individual camp cash participant receipts and agreed receipts selected to the University's general ledger without exception. For the five selections, we obtained the sports camp contracts between the University and individual conducting the sports camp during the Reporting Period. We recalculated totals for sports camp revenues without exception.

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

Procedure 19: Athletics restricted endowment and investment income recorded in the Statement for the Reporting Period is less than 4.0% of the total revenues; therefore, no procedures were performed for this specific category.

### **Other Operating Revenue**

Procedure 20: Other operating revenues recorded in the Statement for the Reporting Period is less than 4.0% of the total revenues; therefore, no procedures were performed for this specific category.

### **Football Bowl Revenues**

Procedure 21: We were informed by management that the University does not have revenues related to football bowl games for the Reporting Period and, therefore, no procedures were performed for this specific category.

### **Minimum Agreed-Upon Procedures for Expenses**

Procedure 22: We compared and agreed each operating expense category reported in the Statement during the Reporting Period to supporting schedules provided by the University without exception. We obtained the Statement for the Reporting Period and noted amounts reported on the Statement agree to or could be reconciled to the University's general ledger. No procedures were performed if a specific reporting category was less than 4.0% of total expenses.

Procedure 23: We compared each major expense account over 10.0% of the total expenses reported on the Statement, by the Department, for the year ended June 30, 2022, to budget estimates for the Reporting Period and to totals for the year ended June 30, 2021, and obtained explanations from management on variances over 10.0%. There were no variances over 10.0% of budget. Variances over 10.0% of the prior year as follows:

- a. *Athletic Student Aid* – There was additional institutional aid provided in fiscal year 2022 versus fiscal year 2021, partially relating to COVID seniors that were not anticipated to get funding for a fifth year.



- b. *Coaching Salaries, Benefits, and Bonuses Paid by the University and Related Entities* – Coaching Salaries, Benefits, and Bonuses Paid by the University and Related Entities increased by \$273,000, or 24.2%, when compared to the prior year expense for the year ended June 30, 2021. Approximately \$110,000 of the expense relates to camp pay for coaches that was not paid in fiscal year 2021 due to the pandemic but was paid in fiscal year 2022 as camps returned to more normal operation. The remainder of the amount relates to normal salary increases, new coaches being hired at higher rates than departing coaches, added assistant coaches that were mostly part time, and increases in benefit costs.
- c. *Support Staff/Administrative Compensation, Benefits and Bonuses Paid by the University and Related Entities* – Support Staff/Administrative Compensation, Benefits and Bonuses Paid by the University and Related Entities increased by \$76,000 or 10.3% when compared to the prior year expense for the year ended June 30, 2021. The increase relates to normal salary increases, the hiring of new staff at higher rates than the departing staff, several new administrative positions, and increases in benefits costs.

### **Athletic Student Aid**

Procedure 24: We obtained a list of all student-athletes that received athletic student aid. From the list we haphazardly selected 60 student athletes since the University does not use the NCAA's Compliance Assistant (CA) software, and obtained individual student account detail and compared total aid allocated from the related aid award letter to the student's detail without exception. We recalculated totals for athletic student aid by sport and overall, noting no exceptions.

### **Guarantees**

Procedure 25: Guarantee expense recorded in the Statement for the Reporting Period is less than 4.0% of the total expenses; therefore, no procedures were performed for this specific category.

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

Procedure 26: We obtained a listing of coaches paid by the University and related entities during the Reporting Period. We haphazardly selected a sample of five coaches from the schedule. The coaches selected represented football, men's and women's basketball, and cross country. We obtained the coaching contracts for the coaches selected and compared and agreed the financial terms and conditions of each selection to the related coaching salaries, benefits, and bonuses recorded by the University in the Statement during the Reporting Period, without exception. We also obtained and inspected the payroll summary registers for each of the five selected coaches employed by the University and compared and agreed the related payroll summary registers to the related coaching salaries, benefits and bonuses paid by the University and related entities expense recorded by the University in the Statement during the Reporting Period. We compared and agreed the totals recorded for each selection to the employment contracts executed and recalculated totals for coaching salaries, benefits, and bonuses paid by the University and related entities, noting no exceptions.

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

Procedure 27: We were informed by management that the University does not have coaching compensation and benefits paid by a third party for the Reporting Period and, therefore, no procedures were performed for this specific category.

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

Procedure 28: We obtained and inspected a schedule of individual support staff/administrative employees employed by the University for the Reporting Period. We haphazardly selected a sample of five support staff from the schedule. The support staff selected represent administrative employees of the Department. We recalculated total expenses without exception. We also obtained and inspected the payroll summary registers for the Reporting Period for each selection. We compared and agreed the payroll summary registers to the related support staff/administrative salaries, benefits, and bonuses paid by the University in the Statement, without exception.

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

Procedure 29: Support staff/administrative compensation and benefits paid by a third party recorded in the Statement for the Reporting Period is less than 4.0% of the total expenses; therefore, no procedures were performed for this specific category.

### **Severance Payments**

Procedure 30: We were informed by management that the University does not have severance payments for the Reporting Period and, therefore, no procedures were performed for this specific category.

### **Recruiting**

Procedure 31: Recruiting expense recorded in the Statement for the Reporting Period is less than 4.0% of the total expenses; therefore, no procedures were performed for this specific category.

### **Team Travel**

Procedure 32: We compared the University's team travel expenses for the Reporting Period on the Statement to amounts recorded in the University's general ledger, noting no exceptions. We recalculated travel team expense totals without exception. In addition, we obtained an understanding of the University's team travel expense policies and compared and agreed these policies to existing University and NCAA-related policies, noting no differences.

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

Procedure 33: Uniforms and supplies expense recorded in the Statement for the Reporting Period is less than 4.0% of the total expenses; therefore, no procedures were performed for this specific category.

### **Game Expenses**

Procedure 34: Game expenses recorded in the Statement for the Reporting Period are less than 4.0% of the total expenses; therefore, no procedures were performed for this specific category.

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

Procedure 35: Fund raising, marketing and promotion expenses recorded in the Statement for the Reporting Period are less than 4.0% of the total expenses; therefore, no procedures were performed for this specific category.

### **Sports Camp Expenses**

Procedure 36: We agreed amounts reported for sports camp expenses reported in the Statement for the Reporting Period to general ledger detail provided by the University, without exception. We haphazardly selected a sample of five expenses from the University's general ledger during the Reporting Period and agreed them to their supporting documentation, without exception. We recalculated totals for sports camp expenses without exception.

### **Spirit Groups**

Procedure 37: We were informed by management that there were no spirit group expenses during the Reporting Period and, therefore, no procedures were performed.

### **Athletic Facility Debt Service, Leases and Rental Fees**

Procedure 38: We were informed by management that the University does not have athletic debt service, leases and rental fees paid directly by the Department for the Reporting Period and, therefore, no procedures were performed for this specific category.

### **Direct Overhead and Administrative Expenses**

Procedure 39: Direct overhead and administrative expenses recorded in the Statement for the Reporting Period are less than 4.0% of the total expenses; therefore, no procedures were performed for this specific category.

### **Indirect Institutional Support**

Procedure 40: We tested Indirect Institutional Support with the revenue section above in Procedure 8.

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

Procedure 41: Medical expenses and medical insurance reported in the Statement for the Reporting Period are less than 4.0% of the total expenses; therefore, no procedures were performed for this specific category.

### **Memberships and Dues**

Procedure 42: The memberships and dues expense recorded in the Statement for the Reporting Period is less than 4.0% of the total expenses; therefore, no procedures were performed for this specific category.

### **Student-Athletic Meals (non-travel)**

Procedure 43: Student-athletic meals (non-travel) reported in the Statement for the Reporting Period are less than 4.0% of the total expenses; therefore, no procedures were performed for this specific category.

### **Other Operating Expenses and Transfers to Institution**

Procedure 44: Other operating expenses reported in the Statement for the Reporting Period are less than 4.0% of the total expenses; therefore, no procedures were performed for this specific category.

### **Football Bowl Expenses**

Procedure 45: We were informed by management that the University does not have expenses related to football bowl games for the Reporting Period and, therefore, no procedures were performed for this specific category.

### **Minimum Agreed-Upon Procedures Program for Other Reporting Items**

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

Procedure 1: We were informed by management that the University does not have excess transfers to institution and conference realignment expenses for the Reporting Period and, therefore, no procedures were performed for this specific category.

#### **Total Athletics Related Debt**

Procedure 2: We were informed by management that the University does not have athletics related debt for the Reporting Period and, therefore, no procedures were performed for this specific category.

#### **Total Institutional Debt**

Procedure 3: We agreed total outstanding institutional debt to supporting documentation and the University's audited financial statements without exception.

#### **Value of Athletics Dedicated Endowments**

Procedure 4: We were informed by management that Athletics endowments are maintained by the Foundation and, therefore, no procedures were performed for this specific category.

#### **Value of Institutional Endowments**

Procedure 5: We were informed by management that the University does not have institutional endowments for the Reporting Period and, therefore, no procedures were performed for this specific category.

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

Procedure 6: We were informed by management that the University does not have athletics related capital expenditures for the Reporting Period and, therefore, no procedures were performed for this specific category.

We were engaged by 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. An agreed-upon procedures engagement involves performing specific procedures that the engaging party has agreed to and acknowledged to be appropriate for the intended purpose of the engagement and reporting on findings based on the procedures performed. 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 as prepared in accordance with the NCAA Guidelines as contained in the Manual 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 Members of the Legislative Audit Committee, Office of the State Auditor of the State of Colorado, the Board of Trustees, and management of the University and is not intended to be, and should not be, used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Moss Adams LLP". The signature is written in a cursive, flowing style.

Spokane, Washington  
January 13, 2023

**Western Colorado University  
Intercollegiate Athletics Department  
Statement of Revenues and Expenses (Unaudited)  
For the Year Ended June 30, 2022**

	Football	Men's Basketball	Women's Basketball	Other Sports	Non-Program Specific	Total
<b>REVENUES</b>						
Operating revenues						
Ticket sales	\$ 36,690	\$ 4,389	\$ 3,786	\$ 8,162	\$ -	\$ 53,027
Student fees	90,820	47,685	49,736	177,158	133,523	498,922
Direct institutional support	1,112,512	322,995	387,706	1,399,595	707,722	3,930,530
Indirect institutional support	-	-	-	-	685,125	685,125
Guarantees	-	16,000	14,200	250	-	30,450
Contributions	174,882	27,610	51,112	248,620	206,935	709,159
In-kind	7,094	1,154	1,598	15,131	69,803	94,780
Compensation & benefits provided by a third party	-	-	-	-	52,581	52,581
NCAA distributions	-	4,025	-	40,636	16,432	61,093
Conference distributions	-	-	-	-	10,000	10,000
Program and concession sales	-	-	-	-	11,810	11,810
Sports camp revenues	404,322	59,771	100,163	464,951	-	1,029,207
Athletics endowment income	2,460	488	488	8,500	2,611	14,547
Other operating revenues	7,155	-	236	38,508	7,968	53,867
Subtotal operating revenues	<u>1,835,935</u>	<u>484,117</u>	<u>609,025</u>	<u>2,401,511</u>	<u>1,904,510</u>	<u>7,235,098</u>
<b>EXPENSES</b>						
Operating expenses						
Athletic student aid	704,417	185,507	242,410	781,329	9,654	1,923,317
Guarantees	-	7,500	-	-	-	7,500
Coaching salaries and benefits - university paid	462,656	139,619	165,806	634,527	-	1,402,608
Administrative salaries and benefits - university paid	19,042	3,763	13,905	39,288	741,623	817,621
Administrative salaries and benefits - third party paid	-	-	-	-	52,581	52,581
Recruiting	27,120	6,351	7,833	31,131	-	72,435
Team travel	77,019	40,783	43,868	266,948	-	428,618
Equipment, uniforms and supplies	56,747	17,724	17,218	105,831	-	197,520
Game expenses	41,779	14,045	13,713	27,246	-	96,783
Fund raising, marketing and promotion	56,066	2,085	5,393	104,729	83,848	252,121
Sports camp expenses	303,325	50,515	69,297	312,124	-	735,261
Direct overhead and administrative expenses	1,042	702	3,286	5,521	54,246	64,797
Indirect institutional support	-	-	-	-	685,125	685,125
Medical expenses and medical insurance	200	200	200	1,200	111,748	113,548
Memberships and dues	-	2,565	6,379	5,317	33,316	47,577
Student-athlete meals (non-travel)	41,852	6,533	6,021	40,229	409	95,044
Other operating expenses	44,670	6,225	13,696	46,091	131,960	242,642
Subtotal operating expenses	<u>1,835,935</u>	<u>484,117</u>	<u>609,025</u>	<u>2,401,511</u>	<u>1,904,510</u>	<u>7,235,098</u>
<b>EXCESS OF REVENUES OVER EXPENSES</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

# **Western Colorado University**

## **Intercollegiate Athletics Department**

### **Notes to Statement of Revenues and Expenses (Unaudited)**

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#### **Note 1 – Basis of Presentation**

The accompanying Statement of Revenues and Expenses (the “Statement”) presents the results of financial activity of the Intercollegiate Athletics Department of Western Colorado University (the “Department”) and is not intended to present the operations of the University as a whole.

The accompanying Statement has been prepared on the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when an obligation is incurred. Contribution revenue from the Western Colorado University Foundation (the “Foundation”) restricted for athletics is recognized to the extent that there are related expenses in a given year; therefore, the major sports show operations on a breakeven basis.

For reporting purposes, the major sports in which the University participates are combined by and reported by the following major categories: Football, Men’s Basketball, Women’s Basketball, and Other Sports. The first three categories represent individual activities whereas the last one represents the combined activity of multiple sports. The administrative functions of the Department, which supports all sports, have been combined and reported within the Non-Program Specific category.

#### **Note 2 – Concentration of Donor Sources**

The University recorded \$528,787 from the Foundation, which represented greater than 10.0% of total operating contributions for the year ended June 30, 2022.

#### **Note 3 – Capital Assets**

Capital assets are stated at cost at date of acquisition or fair value at date of donation. The University capitalizes only those assets with an initial cost or fair value greater than or equal to \$5,000 for equipment. For renovations and improvements, the University capitalizes only those projects with a value of \$50,000 or more. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. Estimated useful lives range from 10 to 70 years for buildings and building improvements, 3 to 10 years for equipment and library materials, and 10 to 20 years for depreciable land improvements. State capital construction revenues are recognized only to the extent of current expenditures. Controlled maintenance (corrective repairs or replacements to existing facilities) funded by the State is recorded as state appropriated revenue and the assets are recorded to the extent that expenditures qualify for capitalization.

#### **Note 4 – Debt**

Certain University bonds payable are related to athletics facilities and improvements. However, the bonds are repaid from University resources other than those reported on the accompanying Statement of the Department. Therefore, the bonds are not considered direct Department debt.