



**METROPOLITAN STATE UNIVERSITY OF DENVER**

Athletics Department

Statement of Revenues and Expenses

Independent Accountants' Report on Applying  
Agreed-Upon Procedures in Accordance with  
National Collegiate Athletic Association Bylaw 6.2.3

Year ended June 30, 2013

**METROPOLITAN STATE UNIVERSITY OF DENVER**

Athletics Department

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## **Independent Accountants' Report on Applying Agreed-Upon Procedures in Accordance with National Collegiate Athletic Association Bylaw 6.2.3**

The Board of Trustees:

We have performed the procedures enumerated below, which were agreed to by the Board of Trustees of the Metropolitan State University of Denver (the University), and management of the University, solely to assist the specified parties in evaluating whether the accompanying statement of revenues and expenses of the Athletics Department of the University (the Statement) is in compliance with the National Collegiate Athletic Association (NCAA) Bylaw 6.2.3 for the year ended June 30, 2013. Management is responsible for the University's compliance with those requirements. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representations regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose

### **Procedures Related to Operating Revenue**

1. We obtained the Statement for the year ended June 30, 2013 as prepared by University management and shown in the accompanying Statement herein. We recalculated the addition of the amounts in each column without exception and compared the amounts in each line of the Statement to supporting lead schedules prepared by University management and to the University's general ledger. We found differences when comparing the amounts in each line of the Statement to supporting lead schedules for operating revenue as described in procedures 4 and 14 below.
2. We compared actual revenue for the year ended June 30, 2013 per the Statement by line item to actual revenue per the Statement for the year ended June 30, 2012. We identified variances exceeding 10% of the prior year amount for each line item and discussed the reasons for the variances with the Director of the University's Intercollegiate Athletics Department. No additional procedures were performed with respect to management's representations as to the reasons for the variances.
3. We compared actual revenues (except for guarantees, contributions, direct institutional support, NCAA/conference distributions, and sports camp revenue, for which no budget is adopted) for the year ended June 30, 2013 per the Statement to the current year budget. We identified variances exceeding 10% of the budgeted amount for each line item and discussed the reasons for the variances with the Director of the University's Intercollegiate Athletics Department. No additional procedures were performed with respect to management's representations as to the reasons for the variances.
4. For ticket sales revenue, we obtained the ticket sales report provided by University management for each sport, which listed the number of tickets sold, complimentary tickets provided, amount of ticket revenue recorded, and average ticket revenue generated per game for the year ended June 30, 2013. We recalculated the total and average ticket revenue per game per the ticket sales report without



exception. We also compared the revenue recorded per the ticket sales report to the revenue recorded in the general ledger. We found such amounts to be in agreement, with the following exceptions: the total ticket revenue per game for men’s basketball, women’s basketball, and nonprogram specific were miscalculated in the schedule as follows:

<u>Sport</u>	<u>Ticket sales report</u>	<u>General ledger</u>	<u>Difference</u>
Men’s Basketball	\$ 6,108	7,627	(1,519)
Women’s Basketball	6,916	5,360	1,556
Nonprogram Specific	—	37	(37)
Total	\$ 13,024	13,024	—

We selected eight days of ticket sales and agreed the information on the ticket office report to the deposit slip and credit card settlement report without exception. The items selected were as follows:

<u>Date</u>	<u>Sport</u>	<u>Amount</u>
September 30, 2013	Women’s Volleyball	\$ 3,066
October 2, 2012	Women’s Volleyball	885
November 5, 2012	Women’s Volleyball	930
November 19, 2012	Women’s Basketball	1,504
December 18, 2012	Women’s Basketball	1,259
January 21, 2013	Men’s Basketball	3,112
February 12, 2013	Men’s Basketball	2,096
March 5, 2013	Men’s Basketball	3,203

- For student fees revenue, we obtained a schedule of revenue from University management. We compared the amounts in the schedule to the Statement for the year ended June 30, 2013. We compared and agreed student fees reported in the Statement to student enrollments during the period by obtaining student enrollment data and the intercollegiate athletics fee rate. We identified the following difference:

<u>Student Enrollment Calculation</u>	<u>Statement</u>	<u>Difference</u>
\$ 1,408,870	1,374,510	34,360

We obtained and documented an understanding of the University’s methodology for allocating student fees to intercollegiate programs and determined that student fees are distributed to each program depending on needs. These needs include conference and nonconference schedule, official fees, equipment, uniforms, and supplies.



6. For guarantees revenue, we obtained a schedule of revenue from University management, recalculated the totals in the schedule without exception, and compared all amounts to the Statement. We found all amounts to be in agreement for the year ended June 30, 2013. We selected a sample of two revenue guarantees transactions from the schedule and compared the amount listed to the respective revenue guarantees contract without exception. The items selected were as follows:

<u>Sport</u>	<u>Institution</u>	<u>Amount</u>
Men's Basketball	Colorado State University	\$ 5,000
Women's Basketball	Missouri Western State University	1,500

7. For contributions revenue, we obtained a schedule of revenue from University management, recalculated the totals in the schedule without exception, and compared all amounts to the Statement for the year ended June 30, 2013. We found all amounts to be in agreement. We scanned the schedule and did not identify any contributions greater than 10% of total contributions revenue.
8. For direct institutional support revenue, we obtained a schedule of revenue from University management, recalculated the totals in the schedule without exception, and compared the amounts to the Statement for the year ended June 30, 2013. We found all amounts to be in agreement.
9. For indirect facilities and administrative support revenue, we inquired of University management, reviewed the Statement, and determined there was no indirect facilities and administrative support revenue for the year ended June 30, 2013.
10. For NCAA and conference distributions revenue, we obtained a schedule of revenue from University management, recalculated the totals in the schedule without exception, and compared the total from the schedule of NCAA and conference distributions to the Statement for the year ended June 30, 2013. We found all amounts to be in agreement. We selected three conference distributions from the schedule and compared the amount recorded to the amount shown in the University's bank statement and to the settlement statement, and found all amounts to be in agreement. The items selected were as follows:

<u>Description</u>	<u>Amount</u>
Men's Basketball Tournament Per Diem	\$ 26,850
Women's Basketball Tournament Per Diem	6,300
Women's Soccer Tournament Per Diem	13,860

11. For broadcast, television, radio, and internet rights revenue, we inquired of University management, reviewed the Statement, and determined there was no broadcast, television, radio, and internet rights revenue for the year ended June 30, 2013.



12. For program sales, concessions, novelty sales, and parking revenue, we obtained a schedule of revenue from University management, recalculated the totals in the schedule without exception, and compared the totals with the amounts reported in the Statement for the year ended June 30, 2013. We found all amounts to be in agreement. We selected eight events from the schedule and agreed the settlement amount to the deposit slip. We found all amounts to be in agreement. The items selected were as follows:

<u>Date</u>	<u>Description</u>	<u>Amount</u>
September 30, 2012	Concessions	\$ 668
October 12, 2012	Concessions	215
November 19, 2012	Concessions	274
December 19, 2012	Concessions	1,163
January 21, 2013	Concessions	888
February 13, 2013	Concessions	379
February 20, 2013	Concessions	722
March 19, 2013	Concessions	1,719

13. For royalties, licensing, advertisements, and sponsorships revenue, we inquired of University management, reviewed the Statement, and determined there was no royalties, licensing, advertising, and sponsorships revenue for the year ended June 30, 2013.

14. For sports camp revenue, we obtained a schedule of camp participants from University management, recalculated the totals in the schedule, and compared the totals with the amounts reported in the Statement for the year ended June 30, 2013. We found such amounts to be in agreement, with the following exceptions: total sports camp revenue for men's soccer and women's soccer was miscalculated in the Statement. Additionally, a schedule of camp participants was not available for men's basketball, women's basketball, or men's soccer.

<u>Sport</u>	<u>Schedule</u>	<u>Statement</u>	<u>Difference</u>
Men's Soccer	\$ 4,315	—	4,315
Women's Soccer	11,676	11,767	(91)
Total	\$ 15,991	11,767	4,224

We requested from University management all sports camp contracts between the University and the person(s) conducting the sports camps; however, none were provided. We selected two sports camp revenue transactions from the schedule and agreed each selection to the Statement without exception. The items selected were as follows:

<u>Sport</u>	<u>Student</u>	<u>Amount</u>
Women's Volleyball	Student 1	\$ 150
Men's Baseball	Student 2	125

15. For endowment and investment income revenue, we obtained a schedule of revenue from University management, recalculated the totals in the schedule, and compared the totals with the amounts reported in the Statement for the year ended June 30, 2013 without exception. We did not select a



sample of endowments as we inquired of University management, reviewed the schedule and determined that there were no endowments for the year ended June 30, 2013.

16. For other operating revenue, we obtained a schedule of revenue from University management, recalculated the totals in the schedule without exception, and compared the totals with the amounts reported in the Statement for the year ended June 30, 2013. We found all amounts to be in agreement. We selected five transactions and compared the amount per the schedule to supporting documentation and the check copy. We found all amounts to be in agreement. The items selected were as follows:

<u>Date</u>	<u>Description</u>	<u>Amount</u>
August 10, 2012	RMAC Broadband Streaming	\$ 1,567
August 14, 2012	RMAC Broadband Streaming	700
May 29, 2013	NCAA Division II – Equal Distribution Share	4,802
June 11, 2013	Gym Rental	2,676
June 18, 2013	Adjustment for Window Repair Reimbursement	(315)

#### **Procedures Related to Operating Expenses**

1. We obtained the Statement for the year ended June 30, 2013 as prepared by University management and shown in the accompanying Statement herein. We recalculated the addition of the amounts in each column without exception and compared the amounts in each line of the Statement to supporting lead schedules prepared by the University and to the University's general ledger. We found all amounts to be in agreement.
2. We compared actual expenses for the year ended June 30, 2013 per the Statement by line item to actual expenses per the Statement for the year ended June 30, 2012. We identified variances exceeding 10% of the prior year amount for each line item and discussed the reasons for the variances with the Director of the University's Intercollegiate Athletics Department. No additional procedures were performed with respect to management's representation as to the reasons for the variances.
3. We compared actual expenses (except for guarantees, support staff, administrative salaries, benefits, and bonuses, recruiting, game expenses, fund-raising, marketing, and promotion expense, sports camp expense, spirit groups expense, medical expenses and medical insurance expense, and membership and dues expense, for which no budget is adopted) for the year ended June 30, 2013 per the Statement to the current year budget. We identified variances exceeding 10% of the budgeted amount for each line item and discussed the reasons for the variances with the Director of the University's Intercollegiate Athletics Department. No additional procedures were performed with respect to management's representation as to the reasons for the variances.



4. For athletics student aid expense, we obtained a listing of institutional student aid recipients from University management, recalculated the total aid received without exception, and compared the total from the listing to the athletics student aid in the Statement for the year ended June 30, 2013. We found all amounts to be in agreement. We selected a sample of 20 students from the listing and compared the amount of aid from the listing to each student's award letter and to the student's account. We found all amounts to be in agreement. The items selected were as follows:

<b>Sport</b>	<b>Student</b>	<b>Amount</b>
Men's Basketball	Student 1	\$ 4,500
Women's Soccer	Student 2	4,025
Men's Soccer	Student 3	3,996
Men's Tennis	Student 4	3,996
Women's Basketball	Student 5	3,996
Women's Tennis	Student 6	3,996
Women's Volleyball	Student 7	3,350
Men's Baseball	Student 8	2,152
Men's Soccer	Student 9	2,152
Nonprogram Specific	Student 10	2,152
Women's Basketball	Student 11	2,152
Women's Soccer	Student 12	1,998
Women's Volleyball	Student 13	1,670
Men's Crosscountry	Student 14	1,614
Men's Tennis	Student 15	1,448
Women's Softball	Student 16	1,207
Men's Baseball	Student 17	1,000
Women's Volleyball	Student 18	999
Men's Basketball	Student 19	550
Women's Crosscountry	Student 20	542

5. For guarantees expense, we obtained a schedule of expenses from University management, recalculated the total per the schedule without exception, and compared the amount to the Statement for the year ended June 30, 2013. We found all amounts to be in agreement. As there was only one transaction in the population, we selected the one guarantees expense and compared the amount on the schedule to the amount in the related contract. We found such amounts to be in agreement. The item selected was as follows:

<b>Sport</b>	<b>Institution</b>	<b>Amount</b>
Women's Basketball	Chadron	\$ 2,000





6. For coaching salaries, benefits, and bonuses paid by the University and related entities, we obtained a listing of coaches and their related salaries and bonuses from University management, recalculated the total salaries and bonuses per the listing without exception, and compared the amounts to the Statement for the year ended June 30, 2013. We found all amounts to be in agreement. We selected a sample of four coaches and compared the amounts of salaries and bonuses from the listing to each coach's contract. We found such amounts to be in agreement. The items selected were as follows:

<u>Sport</u>	<u>Coach</u>
Men's Soccer	Coach Parsons
Women's Basketball	Coach Haave
Men's Basketball	Coach Clark
Women's Volleyball	Coach Markovits

7. For coaching other compensation and benefits paid by a third-party expense, we inquired of University management, reviewed the Statement, and determined there was no coaching other compensation and benefits paid by a third-party expense for the year ended June 30, 2013.
8. For support staff, administrative salaries, benefits, and bonuses paid by the University and related entities, we obtained a listing of support staff/administrative personnel and their related salaries from University management, recalculated the total salaries without exception, and compared the amounts to the Statement for the year ended June 30, 2013. We found all amounts to be in agreement. We selected a sample of 10 personnel and compared the salary amounts to the University's payroll system. We found such amounts to be in agreement. The items selected were as follows:

<u>Program</u>	<u>Employee</u>
Assistant Athletic Director for Marketing	Employee 1
Director of Athletics	Employee 2
Assistant Athletic Trainer	Employee 3
Sports Information Director	Employee 4
Assistant Athletic Trainer	Employee 5
Webcast Technical Director	Employee 6
Associate Athletic Director for Compliance	Employee 7
Business Manager	Employee 8
Head Athletic Trainer	Employee 9
Student Worker – Hourly	Employee 10

9. For support staff, administrative other compensation and benefits paid by a third-party expense, we inquired of University management, reviewed the Statement, and determined there was no support staff, administrative other compensation and benefits paid by a third-party expense for the year ended June 30, 2013.
10. For severance payments expense, we inquired of University management, reviewed the Statement, and determined there was no severance payments expense for the year ended June 30, 2013.
11. For recruiting expense, we obtained a copy of the recruiting policy from University management. We compared the policy to the NCAA's policy and found them to be in agreement. In addition, we obtained a schedule of recruiting expenses from University management, recalculated the total per the schedule without exception, and compared the amount to the Statement for the year ended June 30, 2013. We found all amounts to be in agreement. We selected four recruiting expenses and



compared the amount on the schedule to supporting documentation. We found such amounts to be in agreement. The items selected were as follows:

<u>Date</u>	<u>Description</u>	<u>Amount</u>
August 27, 2012	Women's Basketball – Haave	\$ 455
October 17, 2012	Women's Basketball – Glassow	471
January 22, 2013	Men's Soccer – Parsons	266
May 31, 2013	Men's Basketball – Delgado	326

12. For team travel expense, we obtained a copy of the team travel policy from University management. We compared the policy to the overall institutional travel policy and found them to be in agreement. In addition, we obtained a schedule of travel expenses from University management, recalculated the total per the schedule without exception, and compared the amount to the Statement for the year ended June 30, 2013. We found all amounts to be in agreement. We selected four travel expenses and compared the amount on the schedule to supporting documentation. We found such amounts to be in agreement. The items selected were as follows:

<u>Date</u>	<u>Description</u>	<u>Amount</u>
December 13, 2012	Women's Soccer – Lodging Marriot	\$ 5,502
April 1, 2013	Men's Basketball – Wall	4,000
May 24, 2013	Women's Basketball – Reclassification	1,500
June 27, 2013	Nonprogram Specific – Reclassification	2,085

13. For equipment, uniforms, and supplies expense, we obtained a schedule from University management, recalculated the total per the schedule without exception, and compared the amount to the Statement for the year ended June 30, 2013. We found all amounts to be in agreement. We selected a sample of five equipment, uniforms, and supplies expenses and compared the amounts on the schedule to supporting documentation. We found such amounts to be in agreement. The items selected were as follows:

<u>Date</u>	<u>Description</u>	<u>Amount</u>
December 12, 2012	Lids Team Sports	\$ 1,037
December 31, 2012	Daktronics, Inc.	1,495
January 8, 2013	Sportline, Inc.	4,710
May 29, 2013	Sport Plaques LLC	2,591
June 17, 2013	Purchase of Fence	2,766



14. For game expenses, we obtained a schedule from University management, recalculated the total per the schedule without exception, and compared the amount to the Statement for the year ended June 30, 2013. We found all amounts to be in agreement. We selected a sample of four game expenses and compared the amount on the schedule to supporting documentation. We found such amounts to be in agreement. The items selected were as follows:

<u>Date</u>	<u>Description</u>	<u>Amount</u>
September 24, 2012	Wagner	\$ 1,028
December 1, 2012	Rocky Mountain Athletics	10,610
March 29, 2013	Biscuits & Berries, Inc.	1,842
June 27, 2013	Reclassification	9,805

15. For fund-raising, marketing, and promotion expense, we obtained a schedule from University management, recalculated the total per the schedule without exception, and compared the amount to the Statement for the year ended June 30, 2013. We found all amounts to be in agreement. We selected a sample of four fund-raising, marketing, and promotion expenses and compared the amount on the schedule to supporting documentation. We found such amounts to be in agreement. The items selected were as follows:

<u>Date</u>	<u>Description</u>	<u>Amount</u>
November 1, 2012	Haas Rock Publications	\$ 1,050
December 31, 2012	YAVAY	1,500
March 16, 2013	CBS Outdoor, Inc.	2,000
June 17, 2013	Reclassification	2,000

16. For sports camp expenses, we obtained a schedule from University management, recalculated the total per the schedule without exception, and compared the amount to the Statement for the year ended June 30, 2013. We found all amounts to be in agreement.

17. For direct facilities, maintenance, and rental expense, we obtained a schedule for all expenses, and agreed it to the lead schedule. We recalculated the total per the schedule without exception, and compared the amount to the Statement for the year ended June 30, 2013. We found all amounts to be in agreement. We selected four direct facilities, maintenance, and rental expenses for testing and obtained the supporting invoice. We found such amounts to be in agreement. The items selected were as follows:

<u>Date</u>	<u>Description</u>	<u>Amount</u>
September 30, 2012	FY13 1st Quarter Administration Charges	\$ 80,788
December 1, 2012	Meadow Creek Tennis & Fitness	1,856
April 30, 2013	TivMan	1,840
June 30, 2013	Transfer – Remodeling	12,633



18. For spirit groups expense, we obtained a schedule from University management, recalculated the total per the schedule without exception, and compared the amount to the Statement for the year ended June 30, 2013. We found all amounts to be in agreement. We selected five spirit groups expenses and compared the amounts on the schedule to supporting documentation. We found such amounts to be in agreement. The items selected were as follows:

<u>Date</u>	<u>Description</u>	<u>Amount</u>
May 23, 2013	Becks – Travel Advance	\$ 1,000
May 31, 2013	Hengst	400
June 3, 2013	Evergreen Trails, Inc.	8,674
June 28, 2013	Lodging – Becks	5,331
June 30, 2013	Evergreen Trails, Inc.	12,248

19. For indirect facilities and administrative support expense, we inquired of University management, reviewed the Statement and determined there were no indirect facilities and administrative support expense for the year ended June 30, 2013.
20. For medical expenses and medical insurance expense, we obtained the detail for all expenses, agreed it to the lead schedule and recalculated the totals without exception, and compared the amount to the Statement for the year ended June 30, 2013. We found all amounts to be in agreement. We selected the two medical expenses and medical insurance expenses for testing and obtained the supporting invoice. We found such amounts to be in agreement. The items selected were as follows:

<u>Date</u>	<u>Description</u>	<u>Amount</u>
July 31, 2012	Borden – Perlman Insurance Agency, Inc.	\$ 2,558
August 1, 2012	Borden – Perlman Insurance Agency, Inc.	31,000

21. For memberships and dues expense, we obtained the detail for all expenses, agreed it to the lead schedule, recalculated totals without exception, and compared the amount to the Statement for the year ended June 30, 2013. We found all amounts to be in agreement. We selected three memberships and dues expenses for testing and obtained the supporting documentation. We found such amounts to be in agreement. The items selected were as follows:

<u>Date</u>	<u>Description</u>	<u>Amount</u>
July 6, 2012	Rocky Mountain Athletics	\$ 14,560
November 9, 2012	Johnson & Wales University	1,500
April 28, 2013	Women’s Basketball Coach	445



22. For other operating expenses, we obtained a schedule from University management, recalculated the total per the schedule without exception, and compared the amount to the Statement for the year ended June 30, 2013. We found all amounts to be in agreement. We selected a sample of four other operating expenses and compared the amount on the schedule to supporting documentation. We found such amounts to be in agreement. The items selected were as follows:

<u>Date</u>	<u>Description</u>	<u>Amount</u>
January 31, 2013	Jason's Deli	\$ 1,365
March 6, 2013	Evergreen Trails, Inc.	2,572
June 28, 2013	WSOC Team Banquet	1,211
June 30, 2013	OFF Rental	5,974

\* \* \* \* \*

We were not engaged to, and did not, conduct an examination, the objective of which would be the expression of an opinion on the statement of revenues and expenses of the Athletics Department of the University. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Legislative Audit Committee, 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.

KPMG LLP

December 5, 2013

**METROPOLITAN STATE UNIVERSITY OF DENVER**

Athletics Department

Statement of Revenues and Expenses

Year ended June 30, 2013

	<b>Men's basketball</b>	<b>Women's basketball</b>	<b>Other sports combined</b>	<b>Nonprogram specific</b>	<b>Total</b>
Operating revenue:					
Ticket sales	\$ 7,627	5,360	5,906	37	18,930
Student fees	75,000	75,000	230,000	994,510	1,374,510
Guarantees	5,750	1,500	—	—	7,250
Contributions	45,780	18,419	95,748	34,202	194,149
Compensation and benefits provided by a third party	—	—	—	—	—
Direct state or other government support	—	—	—	—	—
Direct institutional support	338,560	269,985	931,812	668,412	2,208,769
Indirect facilities and administrative support	—	—	—	—	—
NCAA/conference distributions including all tournament revenues	44,688	6,300	23,835	3,831	78,654
Broadcast, television, radio, and internet rights	—	—	—	—	—
Program sales, concessions, novelty sales, and parking	1,163	—	815	16,075	18,053
Royalties, licensing, advertisements, and sponsorships	—	—	—	—	—
Sports camp revenues	15,000	10,886	28,027	—	53,913
Endowment and investment income	—	—	—	2,574	2,574
Other operating revenue	—	—	—	10,347	10,347
<b>Total operating revenue</b>	<b>533,568</b>	<b>387,450</b>	<b>1,316,143</b>	<b>1,729,988</b>	<b>3,967,149</b>
Operating expenses:					
Athletics student aid	193,731	166,694	636,626	19,370	1,016,421
Guarantees	—	2,000	—	—	2,000
Coaching salaries, benefits, and bonuses paid by the University and related entities	228,299	152,203	606,282	—	986,784
Coaching other compensation and benefits paid by a third party	—	—	—	—	—
Support staff/administrative salaries, benefits, and bonuses paid by the University and related entities	—	—	—	670,699	670,699
Support staff/administrative other compensation and benefits paid by a third party	—	—	—	—	—
Severance payments	—	—	—	—	—
Recruiting	1,763	11,715	17,430	2,425	33,333
Team travel	84,653	36,823	189,095	20,361	330,932
Equipment, uniforms, and supplies	55,418	16,697	86,630	58,941	217,686
Game expenses	28,524	17,602	47,506	—	93,632
Fund-raising, marketing, and promotion	—	—	—	9,920	9,920
Sports camp expenses	14,086	7,233	16,246	—	37,565
Direct facilities, maintenance, and rental	1,507	860	5,995	159,626	167,988
Spirit groups	—	—	—	33,761	33,761
Indirect facilities and administrative support	—	—	—	—	—
Medical expenses and medical insurance	—	—	—	33,558	33,558
Memberships and dues	1,925	2,555	7,363	27,755	39,598
Other operating expenses	25,923	14,183	97,297	145,656	283,059
<b>Total operating expenses</b>	<b>635,829</b>	<b>428,565</b>	<b>1,710,470</b>	<b>1,182,072</b>	<b>3,956,936</b>
Excess (deficiency) of revenues over (under) expenses	\$ (102,261)	(41,115)	(394,327)	547,916	10,213

See accompanying notes to statement of revenues and expenses.

**METROPOLITAN STATE UNIVERSITY OF DENVER**

Athletics Department

Notes to Statement of Revenues and Expenses

June 30, 2013

**(1) Summary of Significant Accounting Policies**

**(a) Basis of Presentation**

The accompanying Athletics Department statement of revenues and expenses (the Statement) of the Metropolitan State University of Denver (the University) has been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. The Statement is presented in a manner that intends to report all activity of the University's Athletics Department (the Department) in accordance with the requirements of NCAA Financial Audit Guidelines issued by the National Collegiate Athletic Association. Revenue is recorded when earned and expenses are recorded when the liability is incurred. This Statement is a statement of financial activity related to the Department and does not purport to present the results of operations or the net income or loss for the University as a whole in conformity with U.S. generally accepted accounting principles.

**(b) Allocation of Department Accounts**

Certain revenues and expenses are allocated to the Department. These allocations are estimated by University personnel based upon various factors.

**(c) Property, Plant, and Equipment**

The Department capitalizes all assets valued at \$5,000 or greater with estimated useful lives greater than one year. This is consistent with the University's policy. All purchases and dispositions of the Department's assets must be approved in accordance with University policy.

Property, plant, and equipment are carried at cost as of the date of acquisition or fair value at the date of donation in the case of gifts. Depreciation on property, plant, and equipment is calculated on the straight-line method over the estimated useful lives of the assets, which range from 3 to 15 years for equipment. The University's athletic facilities are owned and operated by the Auraria Higher Education Center. In fiscal year 2013, the University purchased land that will be developed into new athletic fields. This land was purchased with cash reserves, therefore, the University does not have any athletics-related debt.

**(2) Contributions**

The University received \$194,149 in contributions, all of which was from the Metropolitan State University of Denver Foundation, Inc.

A bound report may be obtained by calling the  
Office of the State Auditor  
303-869-2800

Please refer to the Report Control Number below when requesting the report.

**Report Control Number 1314F-A**