

UNIVERSITY OF COLORADO COLORADO SPRINGS
DEPARTMENT OF INTERCOLLEGIATE ATHLETICS

INDEPENDENT ACCOUNTANTS' REPORT ON
APPLYING NCAA AGREED-UPON PROCEDURES

For the Year Ended June 30, 2013

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**Independent Accountants' Report on
Applying NCAA Agreed-Upon Procedures**

Members of the Legislative Audit Committee
Denver, Colorado

Chancellor Pamela Shockley-Zalabak
University of Colorado Colorado Springs
Colorado Springs, Colorado

We have performed the procedures enumerated below, which were agreed to by the management of the University of Colorado Colorado Springs (the University or UCCS) and by the Legislative Audit Committee, solely to assist you in evaluating whether the accompanying statements of revenues and expenses (the Statements) of the University of Colorado Colorado Springs Intercollegiate Athletics Department (UCCS Athletics) are in compliance with the National Collegiate Athletic Association (NCAA) Bylaw 6.2.3.1.1 for the year ended June 30, 2013. University management is responsible for the Statements and the Statements' 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 representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose. As agreed upon by management, exceptions totaling amounts greater than \$5,000 or 10% of the Statements' line item total to which an agreed-upon procedure was applied are reported.

The procedures we performed and our findings are as follows:

**Agreed-Upon Procedures Related to the UCCS Intercollegiate Athletics Department
Statements of Revenues and Expenses**

1. We obtained the Statements for the year ended June 30, 2013, as prepared by management.
 - a. We recalculated the line and column totals on the Statements without exception.
 - b. We compared the total amount on each revenue line, all amounts on the expense lines, and the total amount for revenues and expenses on the Statements to the corresponding amounts on management's reconciliation between the University's general ledger or other supporting documentation and the amounts on the Statements. We found such amounts to be in agreement.
 - c. We determined all amounts on management's reconciliation agreed to the University's general ledger or other supporting documentation without exception.

2. We obtained a copy of the NCAA/EADA (Equity in Athletics Disclosure Act) Revenues and Expenses Report (NCAA Report) for the year ended June 30, 2013, as prepared by management and submitted to the NCAA on January 7, 2014. We compared the amounts on each line of the NCAA Report to corresponding amounts on the Statements. All lines on the NCAA Report agreed to the Statements.
3. We compared actual revenues and expenses reported on the Statements for the year ended June 30, 2013 to those for the year ended June 30, 2012 and obtained explanations from management for variances exceeding \$100,000 and 20% of the June 30, 2012 balances.

Revenues:

Direct Institutional Support – The \$285,598 (32%) increase in Direct Institutional Support was a reflection of the UCCS campus leadership's commitment to increase the amount of money UCCS Athletics receives from the general fund. As part of this commitment, the amount of Direct Institutional Support increased primarily in the areas of financial aid (in order to maintain the same levels of equivalency given the increase in institutional cost and to build the base budget for total athletic aid) and salary (the University paid for the men's basketball coach salary and benefits out of the general fund). Other areas included increases to athletic insurance, as this number increased given the addition of programs/athletes and post season travel as the campus fully funds any post season expense not covered by the NCAA.

4. We compared actual revenues and expenses reported on the Statements for the year ended June 30, 2013 to budgeted revenue and expenses for 2013 and obtained explanations from management for variances exceeding \$100,000 and 20% of the June 30, 2013 balance.

Revenues:

Direct Institutional Support – The June 30, 2013 balance was \$1,173,004 (100%) greater than the 2013 budgeted amount. In general, UCCS does not budget for this amount, but agrees to support athletics. Each year, UCCS usually covers any post-season travel costs because UCCS Athletics does not have the budget to cover such costs. In addition, the University usually covers the cost of UCCS Athletics' insurance policy. In the current year, the University also funded additional salaries, benefits, and scholarships as discussed above. Neither of those are permanent commitments from institutional support but it has covered those costs for the last several years. Such funding is a year-to-year decision by the Senior Executive Vice Chancellor for Administration and Finance. Therefore, this amount is not budgeted for the year and amounts will vary year to year.

Sports Camps – The June 30, 2013 balance was \$104,197 (100%) greater than the 2013 budgeted amount. Sports camps are not budgeted for in the initial fiscal year planning as sports camp vary from year to year. Once a program settles on its sports camp schedule, it must provide the necessary budget which will include a Revenue/Expense statement detailing the financial plan for the camp(s). Once this is submitted, UCCS Athletics will enter the budget per the programs camp plan. This normally takes place in the winter in order to prepare for the spring/summer camps.

Expenses:

Athletic Student Aid – The June 30, 2013 balance was \$159,497 (23%) greater than the budgeted amount. Athletic Student Aid athletics scholarships are administered by the Financial Aid Department and included in its budgeting process. The administrative portion only is included in the Athletics Office budget per the general ledger system, which accounts for the variance. Actual expenses will vary based on amounts awarded from the Financial Aid Department.

5. We obtained from management a detailed listing of contributions of moneys, goods, or services received directly by UCCS Athletics, which individually identified any contributions from outside organizations, agencies, or groups of individuals (two or more), that constituted 10% or more of all contributions received for UCCS Athletics during the year ended June 30, 2013.
 - a. We recalculated the total contributions and agreed the total to contributions and endowments on the Statements. All calculations were correct and agreed to the Statements without exception.
 - b. For the year ended June 30, 2013, there was one single contribution of more than 10% of the total balance of contributions, which was provided by the CU Foundation and confirmed during our fieldwork. This single contribution, of \$20,670, is also included in the entire amount of contributions made by the Foundation of \$133,667 and is disclosed in the Notes to the Statements of Revenues and Expenses.
6. We obtained a report from the Integrated Student Information System (ISIS) related to the number of academic credits earned by students during the year and recomputed total student fees charged for UCCS Athletics. We compared the computation to the amounts on the report to the total amount reported on the Statements within \$5,000 or 10%.
7. We obtained a schedule of guarantees received during the reporting period and agreed the total to the general ledger. We selected one away game settlement report and agreed the total per the settlement report to the University's general ledger and contractual agreement without exception. The following item was selected for testing:

<u>Description</u>	<u>Amount</u>
Chico State Game Guarantee	\$ 4,000

8. We were unable to compare the direct institutional support total on the Statements to supporting University authorization and/or other corroborative supporting documentation. There was no formal authorization, as this amount is determined annually by the Senior Executive Vice Chancellor for Administration and Finance, as discussed in step #4 above.
9. We obtained a schedule of camp revenues for each program earning \$10,000 or more and performed the following:
 - a. We agreed the total of the schedule of camp revenues to the Statements and general ledger without exception.

- b. We obtained the schedules of camp participants and fee schedules (brochures) for the camps.
- c. We obtained the detail of camp cash receipts in fiscal year 2013 by type (cash/check or credit card). We recalculated the totals and agreed the amounts to the schedule of camp revenues without exception.
- d. We selected a total of ten participants across the camps selected. We compared the fee paid by the participant to the fee schedule without exception. The following are the ten participants selected:

<u>Participant</u>	<u>Camp Description</u>	<u>Registration Amount Based on Brochure</u>	<u>Discount</u>	<u>Amount Paid</u>
Participant #1	Team	\$ 400	\$ -	\$ 400
Participant #2	Team	400	-	400
Participant #3	Individual	150	-	150
Participant #4	Individual	100	-	100
Participant #5	Individual	150	-	150
Participant #6	Team	400	-	400
Participant #7	Individual	220	-	220
Participant #8	Individual	270	-	270
Participant #9	Individual	85	-	85
Participant #10	Individual	375	-	375

- 10. We obtained detail of all other revenues and selected a sample of five revenue receipts. We agreed cash receipts to check copies and deposit slips. The five receipts tested are as follows:

<u>Account</u>	<u>Description</u>	<u>Amount</u>
284704	El Paso Pride Soccer	\$ 756
284836	HOF Night	440
284836	RMR Power Even 2	810
325100	Old Uniforms – Cheyenne Mountain	1,680
325100	Kenya Trip	1,122

- 11. We obtained a list of athletes who received financial aid during the fiscal year. From that list, we selected ten students and obtained their financial aid awards. We agreed the amounts of financial aid on the list to the student's file in the Student Information System online. The ten students tested are as follows:

<u>Program</u>	<u>Student ID</u>	<u>Aid Amount</u>	<u>Amount per Student File</u>
<i>File was in agreement within \$5,000 and 10% of the Statements' line total:</i>			
Men's Basketball	XXXXX1797	\$ 3,000	\$ 6,073
Men's Basketball	XXXXX6498	12,000	12,550
Men's Cross-Country	XXXXX1678	2,000	2,996
Women's Volleyball	XXXXX1548	10,000	10,000

<u>Program</u>	<u>Student ID</u>	<u>Aid Amount</u>	<u>Amount per Student File</u>
Women's Volleyball	XXXXX7870	500	1,000
Women's Basketball	XXXXX6705	15,000	15,000
Women's Basketball	XXXXX3036	1,000	1,000
Women's Softball	XXXXX2798	15,450	15,450
Women's Soccer	XXXXX7005	3,000	3,000
Men's Soccer	XXXXX3027	14,000	14,000

12. We obtained a schedule of coaches' salaries and benefit expenses individually for all coaches, showing coach level (e.g., head, assistant) and sport.
- We recalculated the schedule of coaches' salaries and agreed the total to the Statements without exception.
 - We selected two coaches from the schedule. For these coaches, we obtained the coaches' appointment letter or salary approval and the general ledger detail of the coaches' salaries. We compared and agreed the financial terms of each appointment letter or salary approval to the related general ledger amounts and recalculated total salaries without exception. The coaches selected included the following:

<u>Employee ID</u>	<u>Position</u>	<u>Sport</u>
243016	Head Coach	Men's Basketball
225499	Head Coach	Women's Basketball

13. We obtained a schedule of non-coaching staffs' salaries and benefit expenses by individual.
- We recalculated the schedule of non-coaching staffs' salaries and agreed the total to the Statements without exception.
 - We selected two non-student employees from the schedule and obtained the general ledger detail of each employee's salary and the employee's salary letter for fiscal year 2013. We compared and agreed the financial terms of the salary letter to the related general ledger detail and recalculated totals without exception. The employees selected are listed below:

<u>Employee ID</u>	<u>Position</u>
246274	Assistant Athletic Director – NCAA Compliance
165436	Head Athletic Trainer

14. We obtained and documented an understanding of the University's recruiting expense policies. We compared and agreed to NCAA related policies.
15. We obtained and documented an understanding of the University's team travel policies. We compared and agreed to NCAA related policies.

16. We obtained the detail of charges made for direct facilities support to UCCS Athletics. The two largest payments related to the softball fields. These agreed to supporting documentation. The payments of \$11,700 and \$2,378 agreed to invoice copies without exception.
17. We obtained and documented an understanding of the University's methodology for allocating indirect facilities support to UCCS Athletics.
18. We selected a total of 40 transactions from all other expense categories and agreed payee and amount to supporting detail (invoice, receipt, etc.):
The 40 disbursements selected were as follows:

<u>Account</u>	<u>Description</u>	<u>Amount</u>
522602	Recruiting Meal	\$ 97
522601	Lollipops for fundraiser	1,524
522602	Recruiting Meals XC	49
700107	August 2012 Travel Gibson	1,400
700205	TF LA Meets and WSCU	1,962
700100	Travel Card July 2012	986
700205	Softball Team Travel April May 2012	319
700200	Campbell Minneapolis 11/15/2012	270
495101	UCCS Volleyball Camp	400
522602	Meals for Camp	886
515112	Dirt for Softball Field	2,378
497601	Kawasaki Model 600 Mule	11,700
495101	UCCS Men's Golf Championship T officials	1,000
495101	RMAC Men's officials SO	3,896
495101	UCCS Men's Basketball Camp	200
495101	UCCS Summer Camp VB	960
487602	WBB Camp Shirts	720
507602	Advertising in the Gazette	235
508715	Promotions	156
552610	Banners for GEC	2,605
490103	Laster FEB MAR Team Travel	17
537604	WBB Camp Uniforms	692
502800	July Women's Soccer Camps Space Rentals	2,906
537604	Athletic Gear and Apparel	245
487610	BIZHUB C364 Printer/Copier	93
515102	WO 54147 Soccer Backstops	1,867
552681	Chalker for SB	420
530101	Sports Med Supplies	506
535101	IONTO Pads for A	255
545102	Insurance Services	185
535102	Dunn Medical Services	140
510100	NACDA Membership	455
552626	Recruiting Fee for NCAA	275
553000	Pro Football Camp GT	1,000
510100	Dues for SB Coach	110
480112	DNT's Lots 3 & 4	100
500800	Apple Computer Inc	499
500400	Injury Tracking System	550
552605	Athletes Early Arrivals to HSV	2,580
527601	Laster FEB MAR Team Travel	375

19. We obtained from management a copy of the completed NCAA Capital Expenditure Survey for UCCS Athletics for the fiscal year ended June 30, 2013.
 - a. We agreed the amounts on each line on the survey to the corresponding amounts on management's reconciliation between the University's general ledger and the amounts on the survey.
 - b. We verified the disclosure of capital activity and related debt activity was included in the Notes to the Statements. We also verified the future maturities schedule for the related debt was included in the Notes to the Statements.
 - c. We traced debt repayments on the future maturities schedule to the supporting repayment schedules of debt issuance without exception.
 - d. We inquired of the University's policies and procedures related to acquiring, approving, depreciating, and disposing of intercollegiate athletics-related assets. UCCS Athletics does not have a separate policy related to acquiring, approving, depreciating, and disposing of intercollegiate athletics-related assets other than the University-wide policy.
 - e. We verified the disclosure of the University's policies and procedures for acquiring, approving, depreciating, and disposing of intercollegiate athletics-related assets was summarized in the Notes to the Statements.
20. We obtained written management representation as to the completeness and accuracy of the Statements, as well as management's knowledge of institutional compliance with NCAA rules and other laws and regulations applicable to UCCS Athletics, including monitoring and taking responsibility for outside organizations.

Agreed-Upon Internal Control Procedures Related to the UCCS Intercollegiate Athletics Department

1. We obtained and documented information from management, and verified through interview of key employees and observation, concerning the internal control environment for UCCS Athletics. This included the general control environment, use of internal audit, recording of revenues, authorization of expenses, review of budget-to-actual reports, and processing of specific elements of controls for UCCS Athletics, such as ticket sales, and initiating, authorizing, processing, and recording entries in the general ledger and financial statements.
2. We obtained a listing of all UCCS Athletics personnel. From that list, we selected three of the employees and performed the following:
 - a. We determined whether the individuals signed a statement of compliance responsibilities for fiscal year 2013 and found that all statements had been signed.
 - b. We contacted the employees selected to inquire whether they understand their responsibilities for NCAA compliance, monitoring compliance and reporting violations. All personnel represented that they understand their responsibilities.

The employees selected included the following:

<u>Employee ID</u>	<u>Position</u>
243016	Head Athletic Coach – Men's Basketball
225499	Head Athletic Coach – Women's Basketball
151007	Assistant Athletic Director – NCAA Compliance

3. We selected ten purchasing disbursements, including travel, from throughout the year ended June 30, 2013, and determined the following without exception:
 - a. The disbursed amount and payee agreed to the corresponding information on the vendor invoice or supporting documentation,
 - b. The transaction was authorized in accordance with the University's purchasing policies and procedures, and
 - c. The proper expense account was used.

The ten disbursements selected were as follows:

<u>Account</u>	<u>Description</u>	<u>Amount</u>
522602	Recruiting Meal	\$ 97
522601	Lollipops for fundraiser	1,524
522602	Recruiting Meals XC	49
700107	August 2012 Travel Gibson	1,400
700205	TF LA Meets and WSCU	1,962
700100	Travel Card July 2012	986
700205	Softball Team Travel April May 2012	319
700200	Campbell Minneapolis 11/15/2012	270
495101	UCCS Volleyball Camp	400
522602	Meals for Camp	886

4. We selected four payroll disbursements from throughout the year ended June 30, 2013 and determined the following without exception:
 - a. The disbursed amount and payee agreed to the corresponding information in the personnel file, and
 - b. The transaction was authorized in accordance with the payroll policies and procedures of the University.

The four payroll disbursements selected were as follows:

<u>Date</u>	<u>Employee ID</u>
October 31, 2012	246274
February 28, 2013	165436
April 30, 2013	243016
June 30, 2013	225499

5. We inquired of and obtained documentation from the Assistant Athletic Director of Finance, who is responsible for budgeting, and determined what is examined in the budget-to-actual review and how he investigates variances. The Athletic Director corroborated the information.

Agreed-Upon Procedures Related to Affiliated and Outside Organizations Procedure

1. We obtained from management a list of all known UCCS Athletics-related affiliated and outside organizations (Boosters) not under the accounting control of the University and a list of their officers. The only known Booster for UCCS Athletics is the University of Colorado Foundation (CU Foundation).
2. We obtained a written confirmation from the CU Foundation. Through the confirmation, the officers confirmed that no UCCS Athletics personnel served as officers of the CU Foundation.
3. We confirmed with the officers of the CU Foundation as to whether there were any minutes of meetings during the University's fiscal year that contain information or discussions related to UCCS Athletics. Through the confirmation the officers confirmed there were no minutes related to UCCS Athletics.
4. We obtained and reviewed the audited financial statements of the CU Foundation as of and for the year ended June 30 2013, noting an unmodified opinion was received from the external auditors. Institutional and organizational management of the CU Foundation stated that there were no comments concerning internal control structure as a result of the independent audit.
5. We obtained from management a summary of Booster cash (endowment) balances held for the benefit of UCCS Athletics as of June 30, 2012 and 2013, and the revenues and expenses made on behalf of UCCS Athletics for the year ended June 30, 2013.
 - a. We recalculated the totals of the summary without exception.
 - b. We confirmed with the CU Foundation officers the transfers of gifts to and cash receipts for UCCS Athletics for the year ended June 30, 2013, as well as the cash (endowment) balances held for the benefit of UCCS Athletics at June 30, 2012 and 2013, as provided to management by the CU Foundation.
 - c. According to the summary of Booster revenue and expenses, and confirmation from the officers of the CU Foundation, there were no direct expenses made on behalf of UCCS Athletics.
 - d. We verified disclosure of the cash (endowment) balances was included in the Notes to the Statements.

We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on the compliance of, or the internal control over, the accompanying statements of revenues and expenses of UCCS. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the specified parties listed above and is not intended to be and should not be used by anyone other than these specified parties.

CliftonLarsonAllen LLP

Denver, Colorado
January 7, 2014

**UNIVERSITY OF COLORADO COLORADO SPRINGS
INTERCOLLEGIATE ATHLETICS DEPARTMENT
STATEMENT OF REVENUES AND EXPENSES
For the Year Ended June 30, 2013 (Unaudited)**

Revenues

1	Ticket sales	\$ 20,647
2	Student fees	1,171,409
3	Guarantees	4,000
4	Contributions	171,786
5	Compensation and benefits provided by a third party	-
6	Direct state or other government support	-
7	Direct institutional support	1,173,004
8	Indirect facilities and administrative support	84,613
9	NCAA and conference distributions, including all tournament revenues	- 17,543
10	Broadcast, television, radio and internet rights	-
11	Program sales, concession, novelty sales and parking	-
12	Royalties, advertisements and sponsorships	-
13	Sports camp revenues	104,197
14	Endowment and investment income	3,138
15	Other	62,950
16	Total revenues	<u>2,813,287</u>

Expenses

17	Athletic student aid	858,457
18	Guarantees	-
19	Coaching salaries, benefits and bonuses paid by the university and related entities	- 510,854
20	Coaching other compensation and benefits paid by a third party	- -
21	Support staff and administrative salaries, benefits and bonuses paid by the university and related entities	- 344,511
22	Support staff and administrative other compensation paid by a third party	- -
23	Severance payments	-
24	Recruiting	22,840
25	Team travel	319,410
26	Equipment, uniforms and supplies	138,619
27	Game expenses	47,689
28	Fund raising, marketing and promotion	54,795

(Continued)

**UNIVERSITY OF COLORADO COLORADO SPRINGS
INTERCOLLEGIATE ATHLETICS DEPARTMENT
STATEMENT OF REVENUES AND EXPENSES
For the Year Ended June 30, 2013 (Unaudited)**

Expenses (Continued)

29 Sports camp expenses	83,620
30 Direct facilities, maintenance and rental	32,547
31 Spirit groups	-
32 Indirect facilities and administrative supports	84,613
33 Medical expenses and medical insurance	51,049
34 Memberships and dues	40,659
35 Other operating expenses	60,117
36 Total expenses	<u>2,649,780</u>

Surplus of revenues over expenses \$ 163,507

See accompanying notes to the statements of revenues and expenses.

**UNIVERSITY OF COLORADO COLORADO SPRINGS
INTERCOLLEGIATE ATHLETICS DEPARTMENT
STATEMENTS OF REVENUES AND EXPENSES BY SPORT
For the Year Ended June 30, 2013 (Unaudited)**

	Men's Basketball	Women's Basketball	Women's Volleyball	CC/Track and Field	Men's Golf	Women's Golf	Women's Soccer	Men's Soccer	Women's Softball	Other	Total
Revenues											
1 Ticket sales	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 20,647	\$ 20,647
2 Student fees	68,191	138,343	109,887	175,931	70,170	-	98,047	98,047	130,887	281,906	1,171,409
3 Guarantees	4,000	-	-	-	-	-	-	-	-	-	4,000
4 Contributions	10,000	11,000	7,350	5,434	4,100	-	5,000	31,006	5,000	92,896	171,786
5 Compensation and benefits provided by a third party	-	-	-	-	-	-	-	-	-	-	-
6 Direct state or other government support	-	-	-	-	-	-	-	-	-	-	-
7 Direct institutional support	167,894	99,898	84,850	144,084	52,574	18,954	100,015	38,842	107,900	357,993	1,173,004
8 Indirect facilities and administrative support	5,002	9,214	8,243	12,711	4,893	-	6,413	6,325	9,697	22,115	84,613
9 NCAA and conference distributions, including all tournament revenues	-	-	-	6,098	-	-	-	-	-	11,445	17,543
10 Broadcast, television, radio and internet rights	-	-	-	-	-	-	-	-	-	-	-
11 Program sales, concession, novelty sales and parking	-	-	-	-	-	-	-	-	-	-	-
12 Royalties, advertisements and sponsorships	-	-	-	-	-	-	-	-	-	-	-
13 Sports camp revenues	23,078	19,482	23,599	-	-	-	8,808	26,205	3,025	-	104,197
14 Endowment and investment income	-	-	-	-	-	-	-	-	2,138	1,000	3,138
15 Other	-	2,309	8,190	10,208	-	-	-	11,680	8,241	22,322	62,950
16 Total revenues	<u>278,165</u>	<u>280,246</u>	<u>242,119</u>	<u>354,466</u>	<u>131,737</u>	<u>18,954</u>	<u>218,283</u>	<u>212,105</u>	<u>266,888</u>	<u>810,324</u>	<u>2,813,287</u>
Expenses											
17 Athletic student aid	122,124	134,700	88,004	121,804	48,100	-	106,765	87,800	124,150	25,010	858,457
18 Guarantees	-	-	-	-	-	-	-	-	-	-	-
19 Coaching salaries, benefits and bonuses paid by the university and related entities	77,488	79,712	61,843	92,262	25,091	1,121	53,935	51,386	68,016	-	510,854
20 Coaching other compensation and benefits paid by a third party	-	-	-	-	-	-	-	-	-	-	-
21 Support staff and administrative salaries, benefits and bonuses paid by the university and related entities	-	-	-	-	-	-	-	-	-	344,511	344,511
22 Support staff and administrative other compensation paid by a third party	-	-	-	-	-	-	-	-	-	-	-
23 Severance payments	-	-	-	-	-	-	-	-	-	-	-
24 Recruiting	-	1,787	6,430	830	-	678	75	104	271	12,665	22,840
25 Team travel	40,881	26,522	23,776	85,458	31,184	-	15,689	24,436	42,310	29,154	319,410
26 Equipment, uniforms and supplies	2,487	1,788	8,971	4,541	6,652	17,155	9,899	4,675	4,358	78,093	138,619
27 Game expenses	7,741	8,775	7,998	3,844	1,000	-	4,566	3,733	6,602	3,430	47,689
28 Fund raising, marketing and promotion	1,600	2,544	1,905	3,853	354	-	625	498	11,813	31,603	54,795
29 Sports camp expenses	14,341	10,019	14,724	-	-	-	21,583	22,938	15	-	83,620
20 Direct facilities, maintenance and rental	-	25	-	264	-	-	-	-	-	32,258	32,547
31 Spirit groups	-	-	-	-	-	-	-	-	-	-	-
32 Indirect facilities and administrative supports	5,002	9,214	8,243	12,711	4,893	-	6,413	6,325	9,697	22,115	84,613
33 Medical expenses and medical insurance	679	-	291	-	-	-	-	-	-	50,079	51,049
34 Memberships and dues	500	1,468	170	5,476	9,096	-	308	1,302	110	22,229	40,659
35 Other operating expenses	8,862	3,083	2,723	2,161	432	-	404	398	1,397	40,657	60,117
36 Total expenses	<u>281,705</u>	<u>279,637</u>	<u>225,078</u>	<u>333,204</u>	<u>126,802</u>	<u>-</u>	<u>220,262</u>	<u>203,595</u>	<u>268,739</u>	<u>691,804</u>	<u>2,649,780</u>
Surplus of revenues over expenses	<u>\$ (3,540)</u>	<u>\$ 609</u>	<u>\$ 17,041</u>	<u>\$ 21,262</u>	<u>\$ 4,935</u>	<u>\$ 18,954</u>	<u>\$ (1,979)</u>	<u>\$ 8,510</u>	<u>\$ (1,851)</u>	<u>\$ 118,520</u>	<u>\$ 163,507</u>

See accompanying notes to the statements of revenue and expenses

UNIVERSITY OF COLORADO
University of Colorado Colorado Springs Intercollegiate Athletics Department
Notes to Statements of Revenues and Expenses (Unaudited)
Year Ended June 30, 2013

1. BASIS OF PRESENTATION

The accompanying statements of revenues and expenses present the results of financial activity of the Intercollegiate Athletics Department of the University of Colorado Colorado Springs (UCCS Athletics) and is not intended to present the operations of the University as a whole.

The accompanying statements of revenues and expenses 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.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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.

Capital Assets are stated at cost at the date of acquisition or fair value at the date of donation. 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 and are over \$75,000 are capitalized. Routine repairs and maintenance are charged to operating expense.

UCCS Athletics follows University procurement rules for acquiring and approving intercollegiate athletics-related assets and follows the 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	20 – 40
Improvements other than buildings	20
Equipment	3 – 10

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3. AFFILIATED AND OUTSIDE ORGANIZATION ENDOWMENT AND OTHER FINANCIAL INFORMATION

	Beg NA July 1, 2012	Cash Receipts	Contributions to or on Behalf of Athletics Program	Other Expenses	Cash Balance June 30, 2013
CU Foundation (CUF)	\$61,477	\$107,287	\$(133,667)	-	\$35,147

4. CONTRIBUTIONS AND CONCENTRATION OF DONOR SOURCES

The CU Foundation was the single largest donor source to UCCS Athletics with cash contributions of \$133,667, for a total of 76% of total contributions, endowments donations and investment income for the year ended June 30, 2013. The cash contributions received from the CU Foundation represent gifts from various donors made for the benefit of UCCS Athletics.

5. CAPITAL ASSETS

The following table presents changes in UCCS Athletics' capital assets and accumulated depreciation for the year ended June 30, 2013.

<i>Category</i>	<i>July 1, 2012</i>	<i>Additions</i>	<i>Retirements</i>	<i>June 30, 2013</i>
Depreciable Capital Assets				
Buildings	\$ 9,748,516	\$ -	\$ -	\$ 9,748,516
Improvements other than Buildings	408,566	-	-	408,566
Equipment	24,201	19,500	-	43,701
Collection	149,855	-	-	149,855
Total Depreciable Capital Assets	\$ 10,331,138	19,500	-	10,350,638
Less Accumulated Depreciation				
Buildings	616,895	247,476	-	864,370
Improvements other than Buildings	112,169	21,086	-	133,255
Equipment	12,072	2,953	-	15,024
Total Accumulated Depreciation	741,135	271,514	-	1,012,649
Total Net Capital Assets	\$ 9,590,003	\$ (252,014)	\$ -	\$ 9,337,989

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6. BONDS AND LEASES PAYABLE

The following table presents a general description of each revenue bond issued related to UCCS Athletics, including its original issuance amount, changes during the year ended June 30, 2013, and the amount outstanding as of June 30, 2013.

Bonds Payable (athletics related)

<i>Description</i>	<i>Original Issuance Amount</i>	<i>Balance 2012</i>	<i>Additions</i>	<i>(Principal) Retirements</i>	<i>Balance 2013</i>
Enterprise System Revenue Refunding Bonds, Series 2009 C: Used to refund a portion of the Refunding Series 2001A	\$ 122,700	\$ 115,050	\$ -	\$ 6,300	\$ 108,750
Premium	7,278	5,583	-	671	4,912
Enterprise System Revenue Revenue Series 2009 A: Used to build the Gallogly Events Center	6,165,000	5,895,000	-	95,000	5,800,000
Premium	98,481	82,034	-	4,782	77,252
Total bonds payable, including Premium	<u>\$ 6,393,45</u>	<u>\$ 6,097,667</u>	<u>\$ -</u>	<u>\$ (106,753)</u>	5,990,914
Less premium					(82,164)
Total principal outstanding					<u>\$ 5,908,750</u>

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

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

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Future minimum payments for the revenue bonds are detailed in the following table.

<i>Years Ending June 30</i>	<i>Principal</i>	<i>Interest</i>	<i>Total</i>
2014	\$ 106,000	\$ 306,689	\$ 412,689
2015	106,150	303,389	409,539
2016	111,450	299,861	411,311
2017	116,750	296,156	412,906
2018	122,050	290,349	412,399
2019-2023	900,000	1,340,490	2,240,490
2024-2028	1,141,350	1,073,620	2,214,970
2029-2033	1,440,000	739,875	2,179,875
2034-2038	1,865,000	311,213	2,176,213
	\$ 5,908,750	\$ 4,961,639	\$ 10,870,389

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