

Colorado School of Mines

**Intercollegiate Athletics Department
Statement of Revenues and Expenses**

**Independent Accountants' Report on Applying
Agreed-Upon Procedures in Accordance with
National Collegiate Athletic Association Bylaw 6.2.3.1**

Year Ended June 30, 2022

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**Independent Accountants' Report on Applying
Agreed-Upon Procedures in Accordance with
National Collegiate Athletic Association Constitution 6.2.3.1**

Members of the Legislative Audit Committee and
the President of the Colorado School of Mines

We have performed the procedures enumerated below on the accompanying Statement of Revenues and Expenses (the Statement) of the Intercollegiate Athletics Department (the Department) of Colorado School of Mines (a higher education institution of the State of Colorado) (the University) for the year ended June 30, 2022. The University is responsible for the Statement and compliance with the National Collegiate Athletic Association (NCAA) Bylaw 6.2.3.1 for the year ended June 30, 2022.

The President and management of the University have agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of applying procedures and reporting associated findings related to the University's compliance with the National Collegiate Athletic Association (NCAA) Bylaw 6.2.3.1 for the year ended June 30, 2022. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

If a specific revenue or expense reporting category is less than 4% of the total revenues or expenses, respectively, no procedures are required for that specific category.

The procedures and associated results are as follows:

Agreed-Upon Substantive Procedures Related to the Colorado School of Mines

A. Internal Control

1. We obtained and documented information from management and verified through interview of the Director of Athletics and observation, concerning the internal control environment for the Department. This includes the general control environment, use of internal audit, recording of revenues, authorization of expenses, inspection of budget to actual reports, and processing of specific elements of controls for the Department, such as ticket sales, and initiating, authorizing, processing, and recording entries in the general ledger and financial statements.
2. We obtained a listing of all University Athletics personnel. From that list, we selected three individuals and performed the following:
 - Determined whether the individuals understand their responsibilities for NCAA compliance, monitoring compliance and reporting violations.
 - Obtained the certification of compliance responsibilities for Fiscal Year 2022, which is signed by the selected individuals.

Note: Constitution 6.2.4 requires the University to identify the internal controls unique to intercollegiate athletics departments. This was a key piece of information in conducting the above agreed-upon procedures as the internal controls identified by the University were the baseline of comparison.

➤ **Results:**

- **A1:** University management provided multiple revised Statements during the performance of the procedures described within this document.
- **A2:** We selected the men's soccer coach, the softball coach and the track and field coach. No exceptions were observed during this procedure.

B. External Organizations

1. We obtained a listing of outside organizations that made contributions directly to the University's Athletic Department.
 - **Results:** Colorado School of Mines Foundation, Incorporated (the Foundation) was the only outside organization that made contributions to the University's Athletic Department, as was observed on the list.
2. We obtained the audited financial statements and any reports to management regarding matters related to the internal control structure for outside organizations that contributed directly to the department for the reporting period to determine if there are material weaknesses identified which would need to be disclosed in the notes to the Statement.
 - **Results:** No material weaknesses were identified in their audited financial statements.
3. We obtained from the University a listing of expenditures paid by an outside organization on behalf of the Department and compared the amounts to the revenues recorded by the Department.
 - **Results:** The listing of expenditures paid by an outside organization on behalf of the Department equaled the revenues recorded by the Department.
4. We confirmed the total expenditures paid by the outside organization and compared the amount to the total revenue recorded by the Department.
 - **Results:** We confirmed the total expenditures paid by the outside organization with the Foundation, and observed that the total expenditures agreed to the total revenue recorded by the Department.
5. We confirmed cash balances recorded at the end of the reporting period by the outside organization and compared the amount to the total cash recorded by the Department.
 - **Results:** The Foundation's cash balance at the end of the reporting period confirmed by the Foundation agreed to the cash balance recorded by the Department.

6. We confirmed with the Foundation as to whether there are any minutes during the University's fiscal year that contained certain information or discussions related to the University's Intercollegiate Athletics Department. If any, obtain the minutes with the confirmation and inspect them.
 - **Results:** The Foundation confirmed that there were no minutes from the Foundation Board meeting that contained information or discussions about the Athletics Department.

C. Revenues

1. We compared and agreed each operating revenue category reported in the Statement during the reporting period to supporting schedules provided by the University. If a specific reporting category was less than 4.0% of the total revenue, the below procedures were not applied to that specific category.
2. As documented below, we compared and agreed a sample of five operating revenue receipts obtained from the above operating revenue supporting schedules to adequate supporting documentation.
3. We compared each major revenue account that constitutes over 10% of the total revenues to prior period amounts and budget estimates. We were asked to obtain and document an understanding of any variances greater than 10%. We were asked to report the analysis as a supplement to the final agreed upon procedures report as shown below.

Results: There was one major revenue category over 10% of total revenue compared to the prior year that had a variance greater than 10%. Contributions totaled 11% of total revenue and increased 248% from the prior year. This was primarily due to a contribution from the Foundation to support building the Korrel Athletic Beer Garden.

We were unable to perform analytics between budgeted and actual revenues by line item because the Athletics Department did not maintain budgets for Statement line items. As such, there were no budget to actual variances to report as described by procedure A3. This is not considered an exception.

We observed no exceptions to the procedures listed above.

Ticket Sales

4. We were asked to compare tickets sold during the reporting period, complimentary tickets provided during the reporting period and unsold tickets to the related revenue reported by the University in the Statement and the related attendance figures and recalculate totals.
 - **Results:** As the total ticket sales balance was less than 4.0% of total revenues, it did not meet the threshold requiring the performance of procedures. As such, procedure C4 was not performed.

Student Fees

5. We compared and agreed student fees reported by the University in the statement for the reporting to the student enrollments during the same reporting period. We recalculated totals.
6. We obtained and documented an understanding of the University's methodology for allocating student fees to intercollegiate athletics programs.

7. We obtained the athletics department methodology for allocation of student fees as generated revenue; we recalculated the totals of for each sport. We compared the calculation to supporting documents such as seat manifests, ticket sales reports, and student fee totals.
 - **Results:** We observed no exceptions to the procedures listed above, and we recalculated totals. The University does not allocate student fees; all of the athletic fees are applied to athletics. As there is no allocation of student fees for the year ended June 30, 2022, procedures C6 and C7 were not performed.

Direct State or Other Governmental Support

8. We were asked to compare direct state or other governmental support recorded by the University during the reporting period with state appropriations, institutional authorizations and/or other corroborative supporting documentation. We were asked to recalculate totals.
 - **Results:** As there was no direct state or other governmental support for the year ended June 30, 2022, procedure C8 was not performed.

Direct Institutional Support

9. We compared the direct institutional support recorded by the University during the reporting period with the institutional supporting budget transfers documentation and other corroborative supporting documentation and recalculated totals.
 - **Results:** We observed no exceptions to the procedures listed above.

Transfers Back to Institution (the University)

10. We were asked to compare the transfers back to the University with permanent transfers back to the University from the athletics department and recalculated totals.
 - **Results:** As there were no transfers back to the University for the year ended June 30, 2022, procedure C10 was not performed.

Indirect Institutional Support

11. We compared the indirect institutional support recorded by the University during the reporting period with expense payment, cost allocation detail and other corroborative supporting documentation and recalculated totals.
 - **Results:** We observed no exceptions to the procedures listed above.

Guarantees

12. We were asked to select a sample of five settlement reports for away games during the reporting period and agreed each selection to the University's general ledger and/or the Statement and recalculated totals.
13. We were asked to select a sample of five contractual agreements pertaining to revenues derived from guaranteed contests during the reporting period and compare and agreed each selection of the University's general ledger and/or the Statement and recalculated totals.

- **Results:** As the total guarantees balance was less than 4.0% of total revenues, it did not meet the threshold requiring the performance of procedures. As such, procedures C12 and C13 were not performed.

Contributions

14. For any contributions of moneys, goods or services received directly by an intercollegiate athletics program for any affiliated or outside organization, agency or group of individuals (two or more) not included above (e.g., contributions by corporate sponsors) that constitutes 10 percent or more in aggregate for the reporting year of all contributions received for intercollegiate athletics during the reporting periods we were asked to obtain and inspect supporting documentation for each contribution and recalculate totals.

- **Results:** There was one item that was individually greater than 10% of all contributions received for the Department during the year ended June 30, 2022. We observed no exceptions to the procedures listed above.

In-Kind

15. We were asked to compare the in-kind revenue recorded by the University during the reporting period with a schedule of in-kind donations and recalculate totals.

- **Results:** As there were no in-kind donations for the year ended June 30, 2022, procedure C15 was not performed.

Compensation and Benefits Provided by a Third-Party

16. We were asked to obtain the summary of revenues from affiliated and outside organizations (the "Summary") as of the end of the reporting period from the University. We were asked to recalculate totals.

17. We were asked to select a sample of five funds from the Summary and compare and agree each selection to supporting documentation, the University's general ledger and/or the Summary.

- **Results:** As there were no compensation and benefits provided by a third party for the year ended June 30, 2022, procedures C16 and C17 were not performed.

Media Rights

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

19. We were asked to compare and agree related revenues to the University's general ledger, and/or the Statement. Ledger totals may be different for total conference distributions if media rights are not broken out separately and were asked to recalculate totals.

- **Results:** As there was no media rights revenue for the year ended June 30, 2022, procedures C18 and C19 were not performed.

NCAA Distributions

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

- **Results:** As the total NCAA distributions balance was less than 4.0% of total revenues, it did not meet the threshold requiring the performance of procedures. As such, procedure C20 was not performed.

Conference Distributions

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

22. We were asked to compare and agree the related revenues to the University's general ledger, and the Statement and recalculate totals.

- **Results:** As the total conference distributions balance was less than 4.0% of total revenues, it did not meet the threshold requiring the performance of procedures. As such, procedures C21 and C22 were not performed.

Program Sales, Concessions, Novelty Sales, and Parking

23. We were asked to compare the amount recorded in the revenue reporting category to a general ledger detail of program sales, concessions, novelty sales, and parking as well as any other corroborative supporting documents and recalculate totals.

- **Results:** As the total program sales, concessions, novelty sales and parking balance was less than 4.0% of total revenues, it did not meet the threshold requiring the performance of procedures. As such, procedure C23 was not performed.

Royalties, Licensing, Advertisements, and Sponsorships

24. We were asked to select a sample of five agreements related to the University's participation in revenues from royalties, licensing, advertisements, and sponsorships during the reporting period and gain an understanding of the relevant terms and conditions. We were asked to recalculate totals.

25. We were asked to compare and agree the related revenues to the University's general ledger, and/or the Statement and recalculate totals.

- **Results:** As the total royalties, licensing, advertisements, and sponsorship balance was less than 4.0% of total revenues, it did not meet the threshold requiring the performance of procedures. As such, procedures C24 and C25 were not performed.

Sports Camp Revenues

26. We selected a sample of three sports camps and inspected sports camp contracts between the University and person(s) conducting University sports-camps or clinics during the reporting period and obtained an understanding of the University's methodology for recording revenues from sports camps.
27. We obtained schedules of camp participants and selected a sample of five individual camp participant cash receipts from the schedule of sports camp participants and agreed each selection to the University's general ledger, and/or the Statement. We recalculated totals.
- **Results:** We sampled one contract from a youth baseball camp, a volleyball camp, and a winter softball camp. We then sampled two cash receipts from a listing of youth baseball camp participants, two cash receipts from a listing of volleyball camp participants, and one cash receipt from a listing of softball camp participants. We observed no exceptions to the procedures listed above.

Athletics Restricted Endowment and Investment Income

28. We obtained and inspected a sample of five athletic related endowment agreements to gain an understanding of the relevant terms and conditions.
29. We compared and agreed the classification and use of endowment and investment income reported in the Statement during the reporting period to the uses of income defined within the related endowment agreement and recalculated totals.
- **Results:** We observed no exceptions to the procedures C28 and C29 listed above.

Other

30. We were asked to perform minimum agreed-upon procedures referenced above for all revenue categories and recalculated totals.
- **Results:** As the total other revenue balance was less than 4.0% of total revenues, it did not meet the threshold requiring the performance of procedures. As such, procedure C30 was not performed.

Bowl Revenues

31. We were asked to obtain and inspect a sample of five agreements related to the University's revenues from post-season bowl participation during the reporting period and gain an understanding of relevant terms and conditions.
32. We were asked to compare and agree the related revenues to the University's general ledger and/or the Statement and recalculate totals.
- **Results:** As there were no bowl revenues for the year ended June 30, 2022, procedures C31 and C32 were not performed.

D. Expenses

1. We compared and agreed each expense category reported in the Statement during the reporting period to supporting schedules provided by the University. If a specific reporting category was less than 4.0% of the total expense category, the below procedures were not applied to that specific category.
2. As documented below, we compared and agreed a sample of five expenses obtained from the below operating expense supporting schedules to adequate supporting documentation.
3. We compared each major expense account over 10% of the total expenses to prior period amounts and budget estimates. We obtained and documented an understanding of any variances greater than 10%. We reported the analysis as a supplement to the final agreed upon procedures report, as documented below.

➤ **Results:**

There were no major expense categories over 10% of total expenses compared to the prior year that had variances greater than 10%.

We were unable to perform analytics between budgeted and actual expenses by line item because the Athletics Department did not maintain budgets for the Statement line items. This is not considered an exception.

We observed no exceptions to the procedures listed above.

Student Aid

4. We selected a sample of 40 students (no less than 10% of the total student athletes for Universities who have used NCAA's Compliance Assistant (CA) software to prepare athletic aid detail, with a maximum sample size of 40, and no less than 20% of total student athletes for Universities who have not, with a maximum sample size of 60) from the listing of University student aid recipients during the reporting period. Data should be captured by the University through the creation of a squad list for each sponsored sport.
5. We obtained individual student-account detail for each selection and compared total aid in the University's student system to the student's detail in CA or the University report that tied directly to the NCAA Membership Financial Reporting System.
6. We were asked to perform procedures for each student selected above with respect to their information as reported in either the NCAA's Compliance Assistant software or entered directly into the NCAA Membership Financial Reporting System using the following criteria without exception:
 - a. The equivalency value for each student-athlete in all sports, including head-count sports, needs to be converted to a full-time equivalency value. The full-time equivalency value is calculated using the athletic grant amount reported on the Calculation of Revenue Distribution Equivalencies Report (CDRE) from CA as the numerator and the full grant amount which is the total cost for tuition, fees, books, room, and board for an academic year as the denominator. If using the NCAA CA software, this equivalency value will be calculated for you on the CRDE report labeled "Revenue Distribution Equivalent Award."
 - b. Grants-in-aid is calculated by using the revenue distribution equivalencies by sport and in aggregate. (Athletic grant amount divided by the full grant amount).

- c. Other expenses related to attendance (also known as gap money or cost of attendance) should not be included in grants-in-aid revenue distribution equivalencies. Only tuition, fees, room, board, and course-related books are countable for grants-in-aid revenue distribution per Bylaw 20.02.07.
 - d. The full grant amount should be entered as full year of tuition, not a semester or quarter.
 - e. Student-athletes are to be counted once and should not receive a revenue distribution equivalency greater than 1.00.
 - f. Athletics grants are valid for revenue distribution purposes only in sports in which the NCAA conducts championships competition, emerging sports for women and bowl subdivision football.
 - g. Grants-in-aid are valid for revenue distribution purposes in NCAA sports that do not meet the minimum contests and participants' requirements of Bylaw 20.9.6.3.
 - h. Universities providing grants to student-athletes listed on the CRDE as "Exhausted Eligibility (fifth-year)" or "Medical" receive credit in the grants-in-aid component.
 - i. The athletics aid equivalency cannot exceed minimum equivalency limits. However, the total revenue distribution equivalency can exceed maximum equivalency limits due to exhausted eligibility and medical equivalencies (reference Bylaw 15.5.3.1).
 - j. If a sport is discontinued and the athletic grant is still being honored by the University, the grant is included in student-athlete aid for revenue distribution purposes.
 - k. All equivalency calculations should be rounded to two decimal places.
 - l. If a selected student received a Pell Grant, we confirmed that the value of the grant is not included in the calculation of equivalencies or the total dollar amount of student athletic aid expense for the University.
 - m. If a selected student received a Pell Grant, we confirmed the student's grant was included in the total number and total dollar value of Pell Grants reported for Revenue Distribution purposes in the NCAA Membership Financial Reporting Database.
- **Results:** Procedure six is only applicable for Division I schools. Colorado School of Mines is a Division II school. Therefore, these procedures above were not performed.

7. We recalculated totals for each sport and overall.

- **Results:** We observed no exceptions to the procedures D4, D5, and D7 listed above.

Guarantees

8. We were asked to obtain and inspect a sample of five visiting Universities' away-game settlement reports, including payment made due to game cancellations, received by the University during the reporting period and agree related expenses to the University's general ledger and/or the Statement. We were asked to recalculate totals.

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

- **Results:** As there was no guarantees expense for the year ended June 30, 2022, procedures D8 and D9 were not performed.

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

10. We obtained and inspected a listing of coaches employed by the University and related entities during the reporting period.

11. We selected a sample of five coaches' contracts that included the football coach, and men's and women's basketball coaches, women's soccer coach, and women's volleyball coach from the above listing.

12. We compared and agreed the financial terms and conditions of each selection to the related coaching salaries, benefits, and bonuses recorded by the University and related entities in the Statement during the reporting period.

13. We obtained and inspected payroll summary registers for the reporting year for each selection.

14. We compared and agreed payroll summary registers from the reporting period 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 for each selection.

15. We compared and agreed the totals recorded to any employment contracts executed for the sample selected and recalculated totals.

- **Results:** We observed no exceptions to procedure D10 through D15 listed above.

The following contracts were selected for testing:

Coaching Other Compensation and Benefits Paid by a Third Party

16. We were asked to obtain and inspect a listing of coaches employed by third parties during the reporting period.

17. We were asked to select a sample of five coaches that must include football, men's, and women's basketball from the listing and agree the financial terms and conditions of each selection to the related coaching other compensation and benefits paid by a third party and recorded by the University in the Statement during the reporting period.

18. We were asked to obtain and inspect reporting period payroll summary registers for each selection.

19. We were asked to compare and agree related payroll summary register to the coaching other compensation and benefits paid by a third party expenses recorded by the University in the Statement during the reporting period for each selection. We were asked to recalculate totals.

- **Results:** As there were no other compensation and benefits paid by a third party for the year ended June 30, 2022, procedures D16, D17, D18, and D19 were not performed.

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

20. We selected a sample of five support staff/administrative personnel employed by the University and related entities during the reporting period.
21. We obtained and inspected reporting period summary payroll register for each selection.
22. We compared and agreed related summary payroll register to the related support staff/administrative salaries, benefits, and bonuses paid by the University and related entities expense recorded by the University in the Statement during the reporting period for each selection. We recalculated totals.
 - **Results:** We observed no exceptions to the procedures listed above.

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

23. We were asked to select a sample of five support staff/administrative personnel employed by the third parties during the reporting period.
24. We were asked to obtain and inspect reporting period payroll summary registers for each selection.
25. We were asked to compare and agree related payroll summary registers to the related support staff/administrative other compensation and benefits expense recorded by the University in the Statement during the reporting period for each selection. We were asked to recalculate totals.
 - **Results:** As there were no compensation and benefits paid by a third party for the year ended June 30, 2022, procedures D23, D24, and D25 were not performed.

Severance Payments

26. We were asked to select a sample of up to five employees receiving severance payments by the University during the reporting period and agree each severance payment to the related termination letter or employment contract. We were asked to recalculate totals.
 - **Results:** As there were no severance payments party for the year ended June 30, 2022, procedure D26 was not performed.

Recruiting

27. We were asked to obtain and document an understanding of the University's recruiting expense policies.
28. We were asked to compare and agree those policies to existing University and NCAA-related policies.
29. We were asked to obtain general ledger detail and compare to the total expenses reported. We were asked to recalculate totals.
 - **Results:** As the total recruiting balance was less than 4.0% of total expenses, it did not meet the threshold requiring the performance of procedures. As such, procedures D27, D28, and D29 were not performed.

Team Travel

30. We obtained and documented an understanding of the University's team travel policies.
31. We compared and agreed to existing University and NCAA-related policies.
32. We obtained general ledger detail and compared to the total expenses reported. We recalculated totals.
33. We selected a sample of five team travel expense transactions on which to perform procedures. We agreed the five selections to supporting documentation such as vendor invoices and recalculated without exception.
 - **Results:** We observed no exceptions to the procedures listed above. We observed that the University does not have a specific Team Travel policy; however, the University-wide policy applies to the Athletics Department.

Equipment, Uniform, and Supplies

34. We were asked to obtain general ledger detail and compare to the total expenses reported. We were asked to select a sample of five equipment, uniform, and supplies expense transactions on which to perform procedures.
 - **Results:** As the total equipment, uniform, and supplies balance was less than 4.0% of total expenses, it did not meet the threshold requiring the performance of procedures. As such, procedure D34 was not performed.

Game Expenses

35. We were asked to obtain general ledger detail and compare to the total expenses reported. We were asked to select a sample of five game expense transactions on which to perform procedures.
 - **Results:** As the game expenses balance was less than 4.0% of total expenses, it did not meet the threshold requiring the performance of procedures. As such, procedure D35 was not performed.

Fundraising, Marketing, and Promotion

36. We were asked to obtain general ledger detail and compare to the total expenses reported. We were asked to select a sample of five fundraising, marketing, and promotion expense transactions on which to perform procedures.
 - **Results:** As the total fund raising, marketing and promotion balance was less than 4.0% of total expenses, it did not meet the threshold requiring the performance of procedures. As such, procedure D36 was not performed.

Sports Camp Expenses

37. We obtained general ledger detail and compared to the total expenses reported. We selected a sample of five sports camp expense transactions on which to perform procedures. We agreed the five selections to supporting documentation and recalculated totals without exceptions.
 - **Results:** We observed no exceptions to the procedures listed above.

Spirit Groups

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

- **Results:** As there were no spirit groups for the year ended June 30, 2022, procedure D38 was not performed.

Athletic Facility Debt Service, Leases, and Rental Fees

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

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

- **Results:** As the total athletic facility debt service, leases, and rental fees was less than 4.0% of total expenses, it did not meet the threshold requiring the performance of procedures. As such, procedures D39 and D40 were not performed.

Direct Overhead and Administrative Expenses

41. We were asked to obtain general ledger detail and compare to the total expenses reported. We were asked to select a sample of five direct overhead and administrative expense transactions on which to perform procedures. We agreed the five selections to supporting documentation and recalculated totals without exception.

- **Results:** We observed no exceptions to the procedures listed above.

Indirect Institutional (University) Support

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

- **Results:** We observed no exceptions the procedures listed above.

Medical Expenses and Medical Insurance

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

- **Results:** As the total medical balance was less than 4.0% of total expenses, it did not meet the threshold requiring the performance of procedures. As such, procedure D43 was not performed.

Memberships and Dues

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

- **Results:** As the total membership and dues balance was less than 4.0% of total expenses, it did not meet the threshold requiring the performance of procedures. As such, procedure D44 was not performed.

Other Operating Expenses and Transfers to Institution (University)

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

- **Results:** As the total other operating balance was less than 4.0% of total expenses, it did not meet the threshold requiring the performance of procedures. As such, procedure D45 was not performed.

Student-Athlete Meals (non-travel)

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

- **Results:** As the total student-athlete meals balance was less than 4.0% of total expenses, it did not meet the threshold requiring the performance of procedures. As such, procedure D46 was not performed.

Bowl Expenses

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

- **Results:** As there were no bowl expenses for the year ended June 30, 2022, procedure D47 was not performed.

E. Minimum Agreed-Upon Procedures Program for Other Reporting Items

Excess Transfers to Institution (University) and Conference Realignment Expenses

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

- **Results:** As there were no excess transfers to University and conference realignment expenses for the year ended June 30, 2022, procedure E1 was not performed.

Total Athletics Related Debt

2. We obtained repayment schedules for all outstanding intercollegiate athletics debt during the reporting period. We recalculated annual maturities provided in the schedule obtained.

3. We agreed the total annual maturities and total outstanding athletic related debt to supporting documentation and the University's general ledger.

- **Results:** We observed no exceptions to the procedures listed above.

Total Institutional (University) Debt

4. We agreed total outstanding University debt to supporting documentation and the University's audited financial statements or the institution's general ledger.
 - **Results:** We observed no exceptions to the procedures listed above.

Value of Athletics Dedicated Endowments

5. We obtained a schedule of all athletics dedicated endowments maintained by athletics, the University, and affiliated organizations. We agreed the fair market value in the schedules to supporting documentation, the general ledger and audited financial statements.
 - **Results:** We observed no exceptions to the procedures listed above.

Value of Institutional (University) Endowments

6. We obtained a schedule of the total fair market value of University endowments and agreed to supporting documentation, the general ledger, and/or the audited financial statements.
 - **Results:** We observed no exceptions to the procedures listed above

Total Athletics Related Capital Expenditures

7. We obtained a schedule of athletics related capital expenditures made by athletics, the University, and affiliated organizations during the reporting period.
8. We obtained general ledger detail and compared to the total expenses reported. We selected a sample of three transactions on which to perform procedures. We agreed the three selections to supporting documentation and recalculated totals without exception.
 - **Results:** We observed no exceptions to the procedures listed above

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We were engaged by the President, management, and the Colorado Office of the State Auditor 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. We were not engaged to and did not conduct an examination or review engagement, the object of which would be the expression of an opinion or conclusion, respectively, on the Statement of Revenues and Expenses of the Intercollegiate Athletics Department of the University for the year ended June 30, 2022. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the University and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of the President, management, the Colorado Office of the State Auditor, and the Legislative Audit Committee and is not intended to be, and should not be, used by anyone other than these specified parties. However, upon release by the Legislative Audit Committee, this report is a public document.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Denver, Colorado
January 12, 2023

COLORADO SCHOOL OF MINES
Intercollegiate Athletics Department
STATEMENT OF REVENUES AND EXPENSES
Year Ended June 30, 2022
(Unaudited)

| Operating Revenue | Football | Men's Basketball | Women's Basketball | Volleyball | Other Sports | Non- Program Specific | Total |
|--|------------------|-----------------------------|-------------------------------|-------------------|-------------------------|--------------------------------------|-------------------|
| Ticket Sales | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 218,668 | \$ 218,668 |
| Student Fees | - | - | - | - | - | 1,295,344 | 1,295,344 |
| Contributions | 107,017 | 11,401 | 9,437 | 9,080 | 151,724 | 1,143,180 | 1,431,839 |
| Direct Institutional Support | 593,417 | 269,514 | 158,141 | 198,806 | 1,146,514 | 1,634,697 | 4,001,089 |
| Direct Institutional Support - Financial Aid | 1,218,360 | 372,157 | 318,561 | 396,790 | 1,767,158 | - | 4,073,026 |
| Indirect Institutional Support | - | - | - | - | - | 637,558 | 637,558 |
| Indirect Institutional Support - Athletic Facility Debt Service | - | - | - | - | - | 254,066 | 254,066 |
| NCAA Distributions | - | - | - | - | - | 127,033 | 127,033 |
| Conference Distributions | - | - | - | - | - | 14,039 | 14,039 |
| Royalties, Licensing, Advertising, and Sponsorships | - | - | - | - | - | 19,340 | 19,340 |
| Sports Camp Revenues | 64,308 | 158,177 | 39,555 | 44,282 | 298,723 | 196,711 | 801,756 |
| Athletics Restricted Endowment and Investments Income | 125,459 | 60,645 | 3,972 | 20,000 | 389,326 | 53,610 | 653,012 |
| Guarantees | - | 5,000 | 2,500 | - | 600 | - | 8,100 |
| Programs and Concessions Sales | - | 2,419 | - | - | - | 25,336 | 27,755 |
| Other Operating Revenues | - | - | - | 42 | 13,346 | 10,498 | 23,886 |
| Subtotal Operating Revenue: | 2,108,561 | 879,313 | 532,166 | 669,000 | 3,767,391 | 5,630,080 | 13,586,511 |

See accompanying notes to the statement of revenues and expenses

COLORADO SCHOOL OF MINES
Intercollegiate Athletics Department
STATEMENT OF REVENUES AND EXPENSES (continued)
Year Ended June 30, 2022
(Unaudited)

| Operating Expenses | Football | Men's Basketball | Women's Basketball | Volleyball | Other Sports | Non- Program Specific | Total |
|---|---------------------|-----------------------------|-------------------------------|---------------------|-------------------------|--------------------------------------|---------------------|
| Athletic Student Aid Guarantees | \$ 1,305,349 | \$ 432,802 | \$ 322,533 | \$ 416,790 | \$ 2,149,001 | \$ - | \$ 4,626,475 |
| Coaching Salaries, Benefits, and Bonuses Paid by the University | 653,964 | 271,764 | 165,391 | 198,643 | 1,198,467 | - | 2,488,229 |
| Support Staff/Administrative Salaries, Benefits, and Bonuses Paid by the University | - | - | - | - | - | 1,456,750 | 1,456,750 |
| Recruiting | 54,060 | 14,352 | 11,565 | 12,103 | 32,728 | 1,114 | 125,922 |
| Team Travel | 121,447 | 30,109 | 77,409 | 34,492 | 634,970 | 18,792 | 917,219 |
| Equipment, Uniforms, and Supplies | 86,635 | 14,657 | 27,725 | 16,756 | 249,680 | 45,790 | 441,243 |
| Game Expenses | 60,069 | 16,975 | 25,590 | 14,414 | 153,637 | 109,479 | 380,164 |
| Fundraising, Marketing, and Promotion | 19,433 | 7,189 | 4,999 | 1,320 | 7,430 | 161,173 | 201,544 |
| Sports Camps Expenses | 46,538 | 175,644 | 38,414 | 69,025 | 313,233 | 132,521 | 775,375 |
| Indirect Institutional Support - Athletic Facility Debt Service | - | - | - | - | - | 254,066 | 254,066 |
| Direct Overhead and Administrative Expenses | - | - | - | - | - | 751,386 | 751,386 |
| Indirect Institutional Support | - | - | - | - | - | 637,558 | 637,558 |
| Medical Expenses and Insurance | - | 520 | - | 1,412 | 5,672 | 42,310 | 49,914 |
| Memberships and Dues | 28,647 | 2,505 | 2,200 | 413 | 9,196 | 71,227 | 114,188 |
| Student-Athlete Meals (Non-travel) | 75,229 | 6,121 | 2,926 | 6,110 | 33,128 | 302 | 123,816 |
| Other Operating Expenses | 50,552 | 1,390 | 9,466 | 10,028 | 63,637 | 246,424 | 381,497 |
| Subtotal Operating Expenses: | 2,501,923 | 974,028 | 688,218 | 781,506 | 4,850,779 | 3,928,892 | 13,725,346 |
| | \$ (393,362) | \$ (94,715) | \$ (156,052) | \$ (112,506) | \$ (1,083,388) | \$ 1,701,188 | \$ (138,835) |

See accompanying notes to the statement of revenues and expenses

**Colorado School of Mines
Intercollegiate Athletics Department
Notes to Statement of Revenues and Expenses
Year Ended June 30, 2022
(Unaudited)**

Note 1: Basis of Presentation

The accompanying statement of revenues and expenses presents the results of financial activity of the Intercollegiate Athletics Department of the Colorado School of Mines (Mines Athletics) and are not intended to present the operations of the University as a whole.

The accompanying statement of revenues and expenses has been prepared on the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned, and expenses are recognized when an obligation is incurred.

For reporting purposes, the primary sports in which the Mines Athletics Department participates are reported separately. All other sports have been combined and are reported within the category Other Sports. The administrative functions of Mines Athletics, which supports all sports, have been combined and reported within the category Non-Program Specific.

Note 2: Summary of Significant Accounting Policies

Revenues

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

Revenues received during a given fiscal year but not expended are carried forward for use by the Mines Athletic Department in future fiscal years.

Capital Assets

Capital assets are stated at cost at the date of acquisition or acquisition 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 of and extend the useful life of the structure are capitalized. Routine repairs and maintenance are charged to operating expenses.

Mines Athletics follows University procurement rules for acquiring and approving intercollegiate athletics-related assets and follows the University's policies and procedures for disposing of intercollegiate athletics-related assets.

**Colorado School of Mines
Intercollegiate Athletics Department
Notes to Statement of Revenues and Expenses
Year Ended June 30, 2022
(Unaudited)**

Note 2: Summary of Significant Accounting Policies – Continued

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

| <u>Asset Class</u> | <u>Years</u> |
|---------------------------|--------------|
| Building and Improvements | 20 – 40 |
| Land Improvements | 20 |
| Equipment | 3 – 10 |

Note 3: Concentration of Donor Sources

The Colorado School of Mines Foundation (Foundation) was the single largest donor source to Mines Athletics with cash contributions of \$1,114,786 for a total of 80% of total contributions for the year ended June 30, 2022. The cash contributions received from the Foundation represent gifts from various donors made for the benefit of Mines Athletics. The available cash held by the Foundation for the benefit of Mines Athletics is \$2,383,225 as of June 30, 2022.

Note 4: Capital Assets

The following table presents changes in Mines Athletics' capital assets and accumulated depreciation for the year ended June 30, 2022.

| <u>Category</u> | <u>Balance</u> | | | | <u>Balance</u> |
|---------------------------------------|----------------------|-----------------------|------------------|------------------|----------------------|
| | <u>June 30, 2021</u> | <u>Additions</u> | <u>Deletions</u> | <u>Transfers</u> | <u>June 30, 2022</u> |
| Land Improvements | \$ 8,233,885 | \$ - | \$ - | \$ - | \$ 8,233,885 |
| Buildings and Improvements | 60,152,557 | - | - | - | 60,152,557 |
| Equipment | 698,822 | 40,697 | - | - | 739,519 |
| Construction in Progress | - | 8,541 | - | - | 8,541 |
| Total Capital Assets | 69,085,264 | 49,238 | - | - | 69,134,502 |
| Less Accumulated Depreciation | | | | | |
| Land Improvements | 3,816,142 | 411,694 | - | - | 4,227,836 |
| Buildings and Improvements | 19,279,397 | 1,530,074 | - | - | 20,809,471 |
| Equipment | 557,224 | 31,324 | - | - | 588,548 |
| Total Accumulated Depreciation | 23,652,763 | 1,973,092 | - | - | 25,625,855 |
| Total Net Capital Assets | \$ 45,432,501 | \$ (1,923,854) | \$ - | \$ - | \$ 43,508,647 |

The University's total athletic related capital expenditures was \$49,238 for the year ended June 30, 2022.

**Colorado School of Mines
Intercollegiate Athletics Department
Notes to Statement of Revenues and Expenses
Year Ended June 30, 2022
(Unaudited)**

Note 5: Bonds and Lease Payable

The following tables present a general description of each revenue bond related to Mines Athletics, including its original issuance amount, changes during the year ended June 30, 2022, and the amount outstanding as of June 30, 2022.

| Type | Balance June 30, 2021 | Additions | Deductions | Balance June 30, 2022 | Current Portion |
|---|--------------------------|------------|--------------|--|--|
| Total Bonds Payable - | | | | | |
| Athletics Department | \$ 3,980,350 | \$ - | \$ 93,500 | \$ 3,886,850 | \$ 101,750 |
| Total Bonds Payable - | | | | | |
| University | \$ 256,069,000 | \$ 349,000 | \$ 6,485,000 | \$ 249,933,000 | \$ 7,505,000 |
| Athletics Department | | | | | |
| Percentage | 2% | 0% | 1% | 2% | 1% |
| <u>Issuance Description</u> | | | | <u>Original Issuance Amount</u> | <u>Outstanding Balance 2022</u> |
| Variable Rate Demand Refunding Series 2018A * | | | | | |
| Used to current refund the Refunding Series 2010A | | | | \$ 37,885,000 | \$ 3,886,850 |

* Approximately 11 percent of the Series 2018A Bonds are related to Athletics (Direct Refund of the 2010A)

The University's fixed rate revenue bonds, with rates ranging from 2.02% to 6.29%, are payable semiannually, have serial maturities, contain sinking fund requirements, and contain optional redemption provisions. The University's variable rate demand bonds are payable annually, contain sinking fund requirements and contain optional redemption provisions. The optional redemption provisions allow the University to redeem, at various dates, portions of the outstanding revenue bonds at varying prices. All University revenue bonds are special limited obligations of the Board. The revenue bonds are not secured by any encumbrance mortgage, or other pledge of property, and do not constitute general obligations of the Board or University. The revenue bonds are secured by a pledge of all net revenues as defined by the bond documents.

**Colorado School of Mines
Intercollegiate Athletics Department
Notes to Statement of Revenues and Expenses
Year Ended June 30, 2022
(Unaudited)**

Note 5: Bonds and Lease Payable – Continued

The future minimum debt service payments for the bonds payable are shown in the following table.

| Year Ending June 30, | Principal | | Interest | | Total | |
|--------------------------------|-----------------------|----------------------|-----------------------|----------------------|-----------------------|----------------------|
| | Athletics | | Athletics | | Athletics | |
| | Department Portion | University Total | Department Portion | University Total | Department Portion | University Total |
| 2023 | \$ 101,750 | \$ 7,505,000 | \$ 156,545 | \$ 11,513,000 | \$ 258,295 | \$ 19,018,000 |
| 2024 | 107,250 | 7,760,000 | 152,252 | 11,263,000 | 259,502 | 19,023,000 |
| 2025 | 110,000 | 8,220,000 | 147,800 | 10,963,000 | 257,800 | 19,183,000 |
| 2026 | 115,500 | 8,545,000 | 143,169 | 10,623,000 | 258,669 | 19,168,000 |
| 2027 | 118,250 | 8,885,000 | 138,380 | 10,276,000 | 256,630 | 19,161,000 |
| 2028-2032 | 1,419,000 | 48,040,000 | 534,819 | 44,860,000 | 1,953,819 | 92,900,000 |
| 2033-2037 | 1,576,850 | 62,475,000 | 225,008 | 31,890,000 | 1,801,858 | 94,365,000 |
| 2038-2042 | 338,250 | 63,815,000 | 5,764 | 15,283,000 | 344,014 | 79,098,000 |
| 2043-2047 | - | 29,275,000 | - | 5,118,000 | - | 34,393,000 |
| 2048-2052 | - | 5,413,000 | - | 156,000 | - | 5,569,000 |
| Total Bond Payments | \$ 3,886,850 | \$249,933,000 | \$ 1,503,737 | \$151,945,000 | \$ 5,390,587 | \$401,878,000 |

Note 6: Endowments

As of June 30, 2022 University endowments totaled \$17,254,446. Of this amount, \$120,992 was athletics dedicated endowments.