

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, 2019

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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, which were agreed to by management of the Colorado School of Mines (a higher education institution of the State of Colorado) (the University) solely to assist in evaluating whether the accompanying statement of revenues and expenses (the Statement) of the Intercollegiate Athletics Department (the Department) of the University is in compliance with the National Collegiate Athletic Association (NCAA) Bylaw 6.2.3.1 for the year ended June 30, 2019. Management is responsible for the Statement and the Statement'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 the procedures is solely the responsibility of the 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.

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, review 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 2019, 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 baseball coach, the women's soccer coach and the golf coach. No exceptions noted 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 noted 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 noted 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 noted 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 were no major revenue categories over 10% of total revenue compared to the prior year that had variances greater than 10%.

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 variances to report as described by procedure A3. We noted no other 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 for testing. As such, procedure C4 was not performed.

Student Fees

5. We compared and agreed the 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 tied the calculation to supporting documents such as seat manifests, ticket sales reports and student fee totals.
 - **Results:** We noted no exceptions to the procedures listed above. 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, 2019, 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, 2019, 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 noted 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, 2019, 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 noted 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 for testing. 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 review supporting documentation for each contribution.

- **Results:** There were no items that were individually greater than 10% of all contributions received for the Department during the year ended June 30, 2019. As such, procedure C14 was not performed.

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, 2019, 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 agreed each selection to supporting documentation, the University's general ledger and/or the Summary.

18. If the third party was audited by independent auditors, we were asked to obtain the related independent auditors' report.

- **Results:** As there were no compensation and benefits provided by a third party for the year ended June 30, 2019, procedures C16, C17 and C18 were not performed.

Media Rights

19. 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.

20. 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, 2019, procedures C19 and C20 were not performed.

NCAA Distributions

21. 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 for testing. As such, procedure C21 was not performed.

Conference Distributions

22. 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.

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

- **Results:** As there were no conference distributions for the year ended June 30, 2019, procedures C22 and C23 were not performed.

Program Sales, Concessions, Novelty Sales and Parking

24. 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 for testing. As such, procedure C24 was not performed.

Royalties, Licensing, Advertisements and Sponsorships

25. 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.

26. 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 for testing. As such, procedures C25 and C26 were not performed.

Sports Camp Revenues

27. 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.
28. We obtained schedules of camp participants.
29. We 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 contracts from a general youth sports camp, a women's soccer camp, and a men's soccer camp. We noted no exceptions to the procedures listed above.

Athletics Restricted Endowment and Investment Income

30. We obtained and inspected a sample of five athletic related endowment agreements to gain an understanding of the relevant terms and conditions.
31. 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 noted no exceptions to the procedures C30 and C31 listed above.

Other

32. 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 for testing. As such, procedure C32 was not performed.

Bowl Revenues

33. 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.
34. 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, 2019, procedures C33 and C34 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 noted 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 noted below.

➤ **Results:**

Current Year to Prior Year Line Item Comparison:

Coaching Salaries, Benefits and Bonuses Paid by the University Expenses: Coaching Salaries, Benefits and Bonuses Paid by the University expenses increased by \$287,113 (11.76%) due to increased salaries and related fringe benefits along with cost of living and market adjustments.

Support Staff/Administrative Salaries, Benefits and Bonuses Paid by the University Expenses: Support Staff/Administrative Salaries, Benefits and Bonuses Paid by the University expenses increased by \$171,197 (13.18%) due to increased salaries and related fringe benefits along with cost of living and market adjustments.

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. We noted no other exceptions to the procedures listed above.

Student Aid

4. We selected a sample of 39 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 a check of each student selected to ensure their information was reported accurately in either the NCAA's Compliance Assistant software or entered directly into the NCAA Membership Financial Reporting System using the following criteria:
 - 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, ensure 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, ensure 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:** Discrepancies noted:

- **D4-5:** There was a discrepancy noted for sample Athlete 22. The athletic student financial aid amount entered into the general ledger was \$18,232 and the amount in the CA system was \$20,000. As such, there was a variance of \$1,768.
- **D6:** Procedure 6 is only applicable for Division I schools. Colorado School of Mines is a Division II school. Therefore procedure 6 was not performed.
- **D7:** There was a discrepancy between the athletic student financial aid amounts reported for all sports in the Statement compared to amounts listed in CA system. Total sports athletic student financial aid per the Statement was \$4,264,862 and balance per CA System was \$4,246,415. As such, there was a variance of \$18,447. The discrepancy is broken out by sport as follows:
 - **Football:** Athletic student financial aid per the Statement was \$1,212,234 compared to \$1,193,009 per the CA System. As such, there was a variance of \$19,225.
 - **Men's Basketball:** Athletic student financial aid per the Statement was \$410,635 compared to \$409,135 per the CA System. As such, there was a variance of \$1,500.
 - **Volleyball:** Athletic student financial aid per the Statement was \$338,606 compared to \$338,884 per the CA System. As such, there was a variance of (\$278).
 - **Other:** Athletic student financial aid per the Statement was \$1,972,159 compared to \$1,974,159 per the CA System. As such, there was a variance of (\$2,000).
- The amounts in the CA system were updated to agree to the proper amounts shown in the Statement, with the exception of the Other difference of (\$2,000) noted above.

Guarantees

8. We were asked to obtain and inspect a sample of five visiting Universities' away-game settlement reports received by the University during the reporting period and agree related expenses to the University's general ledger and/or the Statement.
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 the total guarantees balance was less than 4.0% of total expenses, it did not meet the threshold for testing. As such, 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 must include football, and men's and women's basketball 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 noted no exceptions to procedure D10 through D15 listed above.

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, 2019, 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 noted 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, 2019, 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, 2019, 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.
 - **Results:** As the total recruiting balance was less than 4.0% of total expenses, it did not meet the threshold for testing. 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 transactions to validate the existence of the transaction and accuracy of recording.
 - **Results:** We noted no exceptions to the procedures listed above. We noted 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 transactions to validate existence of transaction and accuracy of recording. We were asked to recalculate totals.

- **Results:** As the total equipment, uniform, and supplies balance was less than 4.0% of total expenses, it did not meet the threshold for testing. 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 transactions to validate existence of transaction and accuracy of recording. We were asked to recalculate totals.

- **Results:** As the game expenses balance was less than 4.0% of total expenses, it did not meet the threshold for testing. As such, procedure D35 was not performed.

Fund Raising, 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 transactions to validate existence of transaction and accuracy of recording. We were asked to recalculate totals.

- **Results:** As the total fund raising, marketing and promotion balance was less than 4.0% of total expenses, it did not meet the threshold for testing. As such, procedure D36 was not performed.

Sports Camp Expenses

37. 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 and validated existence of transaction and accuracy of recording. We were asked to recalculate totals.

- **Results:** As the total sports camps balance was less than 4.0% of total expenses, it did not meet the threshold for testing. As such, procedure D37 was not performed.

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 transactions and validated existence of transaction and accuracy of recording. We were asked to recalculate totals.

- **Results:** As there were no spirit groups for the year ended June 30, 2019, procedure D38 was not performed.

Athletic Facility Debt Service, Leases and Rental Fees

39. We obtained a listing of debt service schedules, lease payments and rental fees for athletics facilities for the reporting year. We compared a sample of two facility payments including the top two highest facility payments to additional supporting documentation (e.g. debt financing agreements, leases, rental agreements).
40. We compared amounts recorded to amounts listed in the general ledger detail for each selection. We recalculated totals.
- **Results:** We noted no exceptions to the procedures listed above.

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 transactions and validated existence of transaction and accuracy of recording. We were asked to recalculated totals.
- **Results:** A the total direct overhead and administrative balance was less than 4.0% of total expenses, it did not meet the threshold for testing. As such, procedure D41 was not performed.

Indirect Institutional (University) Support

42. This procedure is performed in conjunction with testing of Indirect Institutional (University) Support – Revenue.
- **Results:** As the total indirect institutional (University) support balance was less than 4.0% of total expenses, it did not meet the threshold for testing. As such, procedure D42 was not performed.

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 to validate existence of transaction and accuracy of recording. We were asked to recalculate totals.
- **Results:** As the total medical balance was less than 4.0% of total expenses, it did not meet the threshold for testing. 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 and validated existence of transaction and accuracy of recording. We were asked to recalculate totals.
- **Results:** As the total membership and dues balance was less than 4.0% of total expenses, it did not meet the threshold for testing. 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 to validate existence of transaction and accuracy of recording. We were asked to recalculate totals.

- **Results:** As the total other operating balance was less than 4.0% of total expenses, it did not meet the threshold for testing. 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 and validated existence of transaction and accuracy of recording. We were asked to recalculate totals.

- **Results:** As the total student-athlete meals balance was less than 4.0% of total expenses, it did not meet the threshold for testing. 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 and validated existence of transaction and accuracy of recording. We were asked to recalculate totals.

- **Results:** As there were no bowl expenses for the year ended June 30, 2019, 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 and validated existence and accuracy of recording. We were asked to recalculate totals.

- **Results:** As there were no excess transfers to University and conference realignment expenses for the year ended June 30, 2019, 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 to supporting documentation and the University's general ledger.

- **Results:** We noted 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 noted 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 noted 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 noted 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 to validate existence of transaction and accuracy of recording and recalculated totals.

➤ **Results:** We noted no exceptions to the procedures listed above

* * * * *

We were not engaged to and did not perform an examination, the objective of which would be the expression of an opinion on the statement of revenues and expenses of the Intercollegiate Athletics Department of the University for the year ended June 30, 2019. Accordingly, we do not express any such 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. However, upon release by the Legislative Audit Committee, this report is a public document.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Denver, Colorado
January 15, 2020

COLORADO SCHOOL OF MINES
Intercollegiate Athletics Department
STATEMENT OF REVENUES AND EXPENSES
Year Ended June 30, 2019
(Unaudited)

Operating Revenue	Football	Men's Basketball	Women's Basketball	Volleyball	Other Sports	Non- Program Specific	Total
Ticket Sales	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 143,931	\$ 143,931
Student Fees	-	-	-	-	-	1,003,460	1,003,460
Contributions	145,613	187,838	4,507	9,505	187,721	179,508	714,692
Direct Institutional Support	588,849	253,652	147,458	180,093	1,045,759	1,573,820	3,789,631
Direct Institutional Support - Financial Aid	1,085,123	175,059	326,589	307,943	1,571,928	-	3,466,642
Indirect Institutional Support	-	-	-	-	-	305,495	305,495
Indirect Institutional Support - Athletic Facility Debt Service	-	-	-	-	-	1,598,561	1,598,561
NCAA Distributions	-	-	-	-	-	125,182	125,182
Royalties, Licensing, Advertising and Sponsorships	-	-	-	-	-	78,892	78,892
Sports Camp Revenues	34,814	186,057	32,598	68,683	267,576	223,571	813,299
Athletics Restricted Endowment and Investments Income	91,816	61,738	3,724	30,178	346,776	16,936	551,168
Guarantees	-	5,000	-	-	5,370	-	10,370
Programs and Concessions Sales	-	-	-	-	-	15,040	15,040
Other Operating Revenues	-	-	64	-	6,862	94,263	101,189
Subtotal Operating Revenue:	1,946,215	869,344	514,940	596,402	3,431,992	5,358,659	12,717,552

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, 2019
(Unaudited)

Operating Expenses	Football	Men's Basketball	Women's Basketball	Volleyball	Other Sports	Non- Program Specific	Total
Athletic Student Aid	\$ 1,212,234	\$ 410,635	\$ 331,228	\$ 338,606	\$ 1,972,159	\$ -	\$ 4,264,862
Guarantees	-	3,000	1,000	-	-	-	4,000
Coaching Salaries, Benefits and Bonuses Paid by the University	651,576	391,512	148,541	193,393	1,343,384	-	2,728,406
Support Staff/Administrative Salaries, Benefits and Bonuses Paid by the University	-	-	-	813	-	1,469,249	1,470,062
Recruiting	68,590	12,193	7,996	11,506	29,518	605	130,408
Team Travel	104,385	39,738	33,735	23,817	458,905	188,146	848,726
Equipment, Uniforms and Supplies	92,440	12,223	18,402	7,277	160,315	66,642	357,299
Game Expenses	83,191	12,390	-	7,830	75,414	51,022	229,847
Fundraising, Marketing and Promotion	8,314	1,000	1,002	3,779	38,017	50,720	102,832
Sports Camps Expenses	7,386	55,564	12,358	66,194	65,978	51,987	259,467
Indirect Institutional Support - Athletic Facility Debt Service	-	-	-	-	-	1,598,561	1,598,561
Direct Overhead and Administrative Expenses	-	-	-	-	-	19,961	19,961
Indirect Institutional Support	-	-	-	-	-	305,495	305,495
Medical Expenses and Insurance	-	-	-	-	-	51,569	51,569
Memberships and Dues	490	305	250	160	3,710	92,358	97,273
Student-Athlete Meals (Non-travel)	10,985	3,287	-	5,880	18,070	-	38,222
Other Operating Expenses	9,084	10,768	9,801	22,429	97,409	265,218	414,709
Subtotal Operating Expenses:	2,248,675	952,615	564,313	681,684	4,262,879	4,211,533	12,921,699
	\$ (302,460)	\$ (83,271)	\$ (49,373)	\$ (85,282)	\$ (830,887)	\$ 1,147,126	\$ (204,147)

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, 2019
(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, 2019
(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 \$660,095 for a total of 93% of total contributions for the year ended June 30, 2019. 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 \$1,547,690 as of June 30, 2019.

Note 4: Capital Assets

The following table presents changes in Mines Athletics' capital assets and accumulated depreciation for the year ended June 30, 2019.

Category	Balance				Balance
	June 30, 2018	Additions	Deletions	Transfers	June 30, 2019
Land Improvements	\$ 7,213,726	43,213	-	-	7,256,939
Buildings and Improvements	60,152,556	-	-	-	60,152,556
Equipment	671,873	-	-	-	671,873
Total Capital Assets	68,038,155	43,213	-	-	68,081,368
Less Accumulated Depreciation					
Land Improvements	2,657,571	360,686	-	-	3,018,257
Buildings and Improvements	14,680,274	1,534,435	-	-	16,214,709
Equipment	462,212	34,295	-	-	496,507
Total Accumulated Depreciation	17,800,057	1,929,416	-	-	19,729,473
Total Net Capital Assets	\$ 50,238,098	(1,886,203)	-	-	48,351,895

The University's total athletic related capital expenditures was \$43,213 for the year ended June 30, 2019.

**Colorado School of Mines
Intercollegiate Athletics Department
Notes to Statement of Revenues and Expenses
Year Ended June 30, 2019
(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, 2019, and the amount outstanding as of June 30, 2019.

Type	Balance June 30, 2018	Additions	Deductions	Balance June 30, 2019	Current Portion
Total Bonds Payable -					
Athletics Department	\$ 13,003,750	-	1,180,500	11,823,250	1,183,250
Total Bonds Payable -					
University	\$ 46,930,000	-	1,730,000	45,200,000	1,765,000
Athletics Department					
Percentage	28%	0%	68%	26%	67%

<u>Issuance Description</u>	<u>Original Issuance Amount</u>	<u>Outstanding Balance 2019</u>
Subordinate Institutional Enterprise Revenue Bonds Series 2012A*		
Used to fund construction of new athletic facility	\$ 13,000,000	7,360,000
Institutional Enterprise Revenue Bonds Series 2012B **		
Used to fund construction of new residence hall and dining facility, renovate the Student Center, provide bridge funding for construction for a new welcome center, and refund all of the Series 2002 and a portion of the Series 2004	47,345,000	356,400
Variable Rate Demand Refunding Series 2018A ***		
Used to current refund the Refunding Series 2010A	37,885,000	4,106,850

* 100 percent of the Series 2012A Bonds are related to Athletics

** Approximately 2 percent of the Series 2012B Bonds are related to Athletics

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

**Colorado School of Mines
Intercollegiate Athletics Department
Notes to Statement of Revenues and Expenses
Year Ended June 30, 2019
(Unaudited)**

Note 5: Bonds and Lease Payable - Continued

The University's fixed rate revenue bonds, with rates ranging from 3% 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.

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

Year Ending June 30,	Principal		Interest		Total	
	Athletics Department Portion	University Total	Athletics Department Portion	University Total	Athletics Department Portion	University Total
	2020	\$ 1,183,250	\$ 1,765,000	\$ 386,023	\$ 1,737,847	\$ 1,569,273
2021	1,186,850	1,770,000	346,652	1,674,206	1,533,502	3,444,206
2022	1,033,500	1,790,000	310,866	1,609,987	1,344,366	3,399,987
2023	1,041,750	1,865,000	278,645	1,545,233	1,320,395	3,410,233
2024	1,047,250	1,915,000	246,152	1,478,007	1,293,402	3,393,007
2025-2029	3,556,500	10,810,000	792,993	6,279,382	4,349,493	17,089,382
2030-2034	1,496,000	13,600,000	415,108	3,773,707	1,911,108	17,373,707
2035-2039	1,278,150	11,685,000	101,739	924,902	1,379,889	12,609,902
Total Bond Payments	\$ 11,823,250	\$ 45,200,000	\$ 2,878,178	\$ 19,023,271	\$ 14,701,428	\$ 64,223,271

Note 6: Endowments

As of June 30, 2019 University endowments totaled \$16,333,586. Of this amount, \$387,029 was athletics dedicated endowments.