

**EASTERN WASHINGTON UNIVERSITY  
INTERCOLLEGIATE ATHLETICS PROGRAM**

**INDEPENDENT ACCOUNTANTS' REPORT ON THE  
APPLICATION OF AGREED-UPON PROCEDURES**

**YEAR ENDED JUNE 30, 2014**

**EASTERN WASHINGTON UNIVERSITY INTERCOLLEGIATE ATHLETICS PROGRAM  
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## INDEPENDENT ACCOUNTANTS' REPORT ON THE APPLICATION OF AGREED-UPON PROCEDURES

Dr. Mary Cullinan, President  
Eastern Washington University  
Cheney, Washington

We have performed the procedures enumerated below, which were agreed to by the Chief Executive of Eastern Washington University (EWU or "the institution"), solely to assist you in evaluating whether the accompanying statement of revenues and expenses of the EWU Intercollegiate Athletics Program ("Athletics") is in compliance with the National Collegiate Athletic Association ("NCAA") Bylaw 3.2.4.16 for the year ended June 30, 2014. Management is responsible for the statement of revenues and expenses ("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 these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

### Agreed-Upon Procedures Related to the Statement of Revenues and Expenses

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

- We obtained the statement for the year ended June 30, 2014, as prepared by management. We compared and agreed each of the operating revenue and expense categories during the reporting period to supporting schedules provided by the institution. We compared major revenue and expense accounts to prior-period amounts and budget estimates, and documented our understanding of any significant variances. No findings were noted.
- We documented management's understanding of policies and procedures used for acquiring, approving, depreciating, and disposing of Athletics-related assets. We obtained a schedule of assets capitalized, additions, transfers, dispositions, and depreciation for the year ended June 30, 2014, and agreed amounts to underlying reports and Athletics' general ledger. No findings were noted.

## Agreed-Upon Procedures Related to the Statement of Revenues and Expenses (Continued)

- We performed additional procedures as follows:

### *Revenues:*

**Ticket Sales and Concessions** – We reconciled tickets sold, complimentary tickets, and unsold tickets to revenues recorded through the accounting system. We inquired regarding ticket-taking procedures with the Athletics Director, and inquired as to the disposal of unsold tickets. We performed analytical tests by recalculating estimated expected revenues of ticket sales for football, men’s basketball, women’s basketball, and volleyball based on published ticket prices and actual tickets sold, and compared those prices to actual recorded revenues. No findings were noted.

**Student Activity Fees** – We confirmed the allocation of student activity fees reported by the institution with the EWU Accounting Office. We obtained a narrative on the criteria, applied analytical procedures, and recomputed the allocation for student fees to the EWU Intercollegiate Athletics Program. No findings were noted.

**Guarantees** – We judgmentally selected five settlement reports for away games during the period and agreed amounts per each sample report to the general ledger. We judgmentally selected five contractual agreements pertaining to revenues derived from guaranteed contests. We compared the amounts per agreements to cash receipts. No findings were noted.

**Contributions, Endowment, and Other Income** – We vouched income received directly from the Eastern Washington University Foundation (“Foundation”), including cash and endowment income, via confirmation with the Foundation. No findings were noted.

**Direct Institutional Appropriations** – We compared direct institutional support recorded by the institution during the reporting period with state appropriated and work study revenues documentation. We recalculated the total amounts. No findings were noted.

**Indirect Facilities and Administrative Support** – We recomputed the indirect support allocation calculations made by the institution, inspected documents evidencing the methodology used, and recalculated several allocations for accuracy. We also agreed total indirect revenues to total indirect expenses. No findings were noted.

**NCAA and Conference Distributions** – We obtained and inspected agreements related to EWU’s participation in revenues from tournaments during the reporting period. We vouched three revenue receipts to original letters and remittance check copies, agreed to reported revenues in the general ledger, and recalculated the totals. No findings were noted.

**Royalties, Advertisements, and Sponsorships** – We obtained and inspected one agreement related to the institution’s participation in revenues from royalties, advertisements, and sponsorship. We then compared and agreed revenues from one sponsorship to the institution’s general ledger. The totals were recalculated. No findings were noted.

## **Agreed-Upon Procedures Related to the Statement of Revenues and Expenses (Continued)**

### *Revenues (Continued):*

Sports Camps Revenues – We obtained and inspected original camp brochures related to Athletic's participation in revenues from holding sports camps during the reporting period to obtain an understanding of Athletic's methodology for recording these revenues. Schedules of participants were obtained and we judgmentally selected 25 individual camp participant cash receipts and agreed to the general ledger. The totals were recalculated. No findings were noted.

Other Income – We compared and agreed each category of other income in the statement during the reporting period to the supporting schedules provided. The totals were recalculated. No findings were noted.

### *Expenses:*

Athletic Student Aid – We obtained a listing of institutional student aid recipients during the reporting period. We randomly selected a sample of 25 student scholarships for testing and verified that the scholarships were awarded in accordance with the EWU Intercollegiate Athletics Program's policies. We determined that scholarships were accurately applied to the proper student accounts. No findings were noted.

Game Guarantees – We obtained and inspected three away game guarantee settlement reports paid by Athletics during the reporting period and agreed the related expenses to Athletics' general ledger. We obtained and inspected three contractual agreements pertaining to expenses recorded by Athletics from guaranteed games during the reporting period. We compared and agreed amounts expensed by Athletics during the reporting period to Athletics' general ledger. The totals were recalculated. No findings were noted.

Coaches' Salaries, Benefits, and Bonuses – We obtained and inspected a listing of coaches employed by Athletics during the reporting period. We judgmentally selected a sample of six coaches' contracts, which included coaches from the football, men's basketball, and women's basketball teams. We compared and agreed the financial terms and conditions from each sample contract to the related coach's salary, benefits, and bonuses recorded by Athletics in the statement during the reporting period. We also obtained W-2s, 1099s, etc., for each sample selection and compared and agreed the related W-2s, 1099s, etc., to the related coach's salary, benefits, and bonuses paid by Athletics and reported by Athletics in the statement during the reporting period. The totals were recalculated. No findings were noted.

Support/Administrative Staff Salaries, Benefits, and Bonuses – We obtained and inspected a listing of the support and administrative staff employed by Athletics during the reporting period. We judgmentally selected five support/administrative employees, obtained W-2s, 1099s, etc., and compared and agreed the related W-2s, 1099s, etc., to the related support and administrative staff's salary, benefits, and bonuses paid by Athletics and reported by Athletics in the statement during the reporting period. The totals were recalculated. No findings were noted.

## **Agreed-Upon Procedures Related to the Statement of Revenues and Expenses (Continued)**

### *Expenses (Continued):*

Team Travel and Recruiting – We obtained and documented an understanding of Athletics’ travel and recruiting expense policies and compared them to existing institutional and NCAA-related policies. We then judgmentally selected eight away games, vouched selected travel expenses to supporting invoices, and agreed expenses recorded by Athletics in the statement during the reporting period to Athletics’ general ledger. The totals were recalculated. No findings were noted.

Equipment, Uniforms, and Supplies – We compared and agreed equipment, uniforms, supplies, and other expenses reported in the statement during the period to supporting schedules. We judgmentally selected two expenses and compared and agreed the amounts obtained from the supporting schedules to supporting invoices. We compared these expenses to prior period amounts and budgeted estimates. Significant variances were investigated and documented. The totals were recalculated. No findings were noted.

Game Expenses – We compared and agreed game expenses reported in the statement during the reporting period to supporting schedules. We judgmentally selected one of these expenses and compared and agreed the amounts obtained from the supporting schedules to supporting invoices. We compared game expenses to prior period amounts and budgeted estimates. Significant variations were investigated and documented. The totals were recalculated. No findings were noted.

Fundraising, Marketing, and Promotion – We compared and agreed fundraising, marketing, and promotion expenses reported in the statement during the reporting period to supporting schedules. We judgmentally selected a sample of one expense obtained from the supporting schedules and compared and agreed the amount to supporting invoices. We compared fundraising, marketing, and promotion expenses to prior period amounts and budget estimates. Significant variations were investigated and documented. The totals were recalculated. No findings were noted.

Sports Camps Expenses – We compared and agreed sports camps expenses in the statement during the reporting period to supporting schedules. We judgmentally selected four sports camp expenses and compared and agreed the amounts from the supporting schedules to supporting invoices. We compared sports camp expenses to prior period amounts and budgeted estimates. Significant variations were investigated and documented. The totals were recalculated. No findings were noted.

Direct Facilities, Maintenance, and Rental – We compared and agreed direct facilities, maintenance, and rental expenses in the statement during the reporting period to supporting schedules. We judgmentally selected one of these expenses and compared and agreed the amount obtained from supporting schedules to supporting invoices. We compared direct facilities, maintenance, and rental expenses to prior period amounts and budgeted estimates. Significant variations were investigated and documented. The totals were recalculated. No findings were noted.

## Agreed-Upon Procedures Related to the Statement of Revenues and Expenses (Continued)

### *Expenses (Continued):*

Indirect Facilities and Administrative Support – We obtained a narrative on Athletics’ methodology for allocating indirect facilities and administrative support. We compared and agreed the indirect facilities and administrative support expenses in the statement to the corresponding indirect facilities and administrative support revenues reported by Athletics. The totals were recalculated. No findings were noted.

Medical Expenses and Medical Insurance – We compared and agreed medical expenses and medical insurance in the statement during the reporting period to supporting schedules. We judgmentally selected one of these expenses obtained from the supporting schedules and compared and agreed the amount to supporting invoices. We compared these expenses to prior period amounts and budgeted estimates. Significant variations were investigated and documented. The totals were recalculated. No findings were noted.

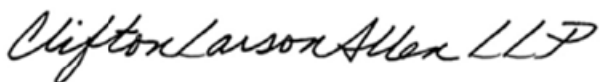
Membership and Dues – We compared and agreed dues and membership expenses reported in the statement during the reporting period to supporting schedules. We judgmentally selected three membership and dues expenses and compared and agreed the amounts to supporting invoices. We compared membership and dues expenses to prior period amounts and budgeted estimates. Significant variations were investigated and documented. The totals were recalculated. No findings were noted.

Other Operating Expenses – We compared and agreed other operating expenses in the statement during the reporting period to supporting schedules. We judgmentally selected six of these operating expenses obtained from the supporting schedules and compared and agreed the amounts to supporting invoices. We compared other operating expenses to prior period amounts and budget estimates. Significant variations were investigated and documented. The totals were recalculated. No findings were noted.

We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on the compliance of the accompanying statement of revenues and expenses of the EWU Intercollegiate Athletics Program with NCAA Bylaw 3.2.4.16. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

The accompanying statement of revenues and expenses of the EWU Intercollegiate Athletics Program for the year ended June 30, 2014, has not been audited, reviewed, or compiled by us and, accordingly, we do not express an opinion or any other form of assurance on it.

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



**CliftonLarsonAllen LLP**

Spokane, Washington  
December 18, 2014

**EASTERN WASHINGTON UNIVERSITY INTERCOLLEGIATE ATHLETICS PROGRAM  
STATEMENT OF REVENUES AND EXPENSES  
YEAR ENDED JUNE 30, 2014**

	<u>FOOTBALL</u>	<u>MEN'S BASKETBALL</u>	<u>WOMEN'S BASKETBALL</u>	<u>OTHER SPORTS</u>	<u>NON-PROGRAM SPECIFIC</u>	<u>TOTAL</u>
<b>OPERATING REVENUES</b>						
Ticket Sales	\$ 297,003	\$ 38,256	\$ 5,387	\$ 3,491	\$ -	\$ 344,137
Student Fees	-	-	-	-	2,256,000	2,256,000
Guarantees	800,000	221,580	3,600	17,540	-	1,042,720
Contributions	111,442	87,934	5,417	37,884	484,031	726,708
Direct State or Other Government Support	-	-	-	-	-	-
Direct Institutional Support	1,111,658	323,213	605,277	2,046,767	1,787,857	5,874,772
Indirect Facilities and Administrative Support	186,771	81,987	71,601	285,832	396,044	1,022,235
NCAA/Conference Distributions Including All Tournament Revenues	67,071	-	2,253	-	530,053	599,377
Broadcast, Television, Radio, and Internet Rights	-	-	-	-	-	-
Program Sales, Concessions, Novelty Sales, and Parking	-	-	-	-	-	-
Royalties, Advertisements, and Sponsorships	-	-	-	-	107,264	107,264
Sports Camps Revenues	499,271	213,251	58,154	85,356	-	856,032
Endowment and Investment Income	-	-	-	-	-	-
Other	-	-	-	-	29,142	29,142
Subtotal Operating Revenues	<u>3,073,216</u>	<u>966,221</u>	<u>751,689</u>	<u>2,476,870</u>	<u>5,590,391</u>	<u>12,858,387</u>
<b>OPERATING EXPENSES</b>						
Athletics Student Aid	1,249,237	338,823	300,041	1,395,714	157,751	3,441,566
Game Guarantees	35,000	9,580	3,000	-	-	47,580
Coaching Salaries, Benefits, and Bonuses Paid by the University and Related Entities	904,001	432,894	299,235	774,721	-	2,410,851
Support Staff/Administrative Salaries, Benefits, and Bonuses Paid by the University and Related Entities	-	-	-	-	1,752,716	1,752,716
Recruiting	77,788	42,104	16,325	23,093	-	159,310
Team Travel	701,772	193,607	150,657	624,253	-	1,670,289
Equipment, Uniform, and Supplies	261,924	36,025	26,876	191,701	252,546	769,072
Game Expenses	-	-	-	-	35,726	35,726
Fundraising, Marketing, and Promotion	-	-	-	-	56,285	56,285
Sports Camps Expenses	340,386	80,268	35,856	35,896	-	492,406
Direct Facilities, Maintenance and Rental	30,417	3,997	32	4,831	79,471	118,748
Spirit Groups	-	-	-	-	-	-
Indirect Facilities and Administrative Support	186,771	81,987	71,601	285,832	396,044	1,022,235
Medical Expenses and Medical Insurance	-	-	-	-	235,493	235,493
Memberships and Dues	49,300	72,135	76,160	20,889	64,330	282,814
Other Operating Expenses	212,404	69,664	25,751	124,249	433,581	865,649
Subtotal Operating Expenses	<u>4,049,000</u>	<u>1,361,084</u>	<u>1,005,534</u>	<u>3,481,179</u>	<u>3,463,943</u>	<u>13,360,740</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENSES</b>	<u>\$ (975,784)</u>	<u>\$ (394,863)</u>	<u>\$ (253,845)</u>	<u>\$ (1,004,309)</u>	<u>\$ 2,126,448</u>	<u>\$ (502,353)</u>

See accompanying Notes to Statement of Revenues and Expenses.



**EASTERN WASHINGTON UNIVERSITY INTERCOLLEGIATE ATHLETICS PROGRAM  
NOTES TO STATEMENT OF REVENUES AND EXPENSES  
YEAR ENDED JUNE 30, 2014**

**NOTE 1 CONTRIBUTIONS**

Contributions received and used by the EWU Intercollegiate Athletics Program from the Eastern Washington University Foundation (Foundation) during the year ended June 30, 2014, were \$392,885. These contributions constituted more than 10 percent of all contributions received for intercollegiate athletics during the reporting period. Total contributions received through the Foundation on behalf of the EWU Intercollegiate Athletics Program during the year ended June 30, 2014, were \$819,593.

**NOTE 2 CAPITAL ASSETS**

Equipment and improvements are recorded at cost, net of accumulated depreciation. Consistent with state of Washington policy, the EWU Intercollegiate Athletics Program capitalizes equipment that has a cost of at least \$5,000. Depreciation is calculated on the straight-line basis over the estimated useful lives of the assets. Capital assets, net of related accumulated depreciation and including \$10,271 in additions and \$6,533 in disposals during the year, were \$1,010,444 at June 30, 2014.