

**EASTERN WASHINGTON UNIVERSITY
INTERCOLLEGIATE ATHLETICS PROGRAM**

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

YEAR ENDED JUNE 30, 2015

**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, 2015. 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, 2015, as prepared by management. We compared and agreed each operating revenue and expense category in excess of 0.5% of the total reported in the statement during the reporting period to supporting schedules provided by the Institution. We compared and agreed a sample of operating revenue receipts and expense disbursements obtained from the supporting schedules to adequate supporting documentation. We compared major revenue and expense accounts over 10% of the total reported in the statement to prior period amounts and budget estimates, and documented our understanding of any significant variations over the lessor of \$1 million or 10%, see supplemental schedule. 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, 2015, 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 – We compared tickets sold during the reporting period, complimentary tickets provided during the reporting period and unsold tickets to the related revenue reported by the Department in the statement and the related attendance figures and recalculated totals. No findings were noted.

Student Fees – We compared and agreed student fees reported by the institution in the statement for the reporting to student enrollments during the same reporting period and recalculated totals. We obtained and documented an understanding of Institution's methodology for allocating student fees to intercollegiate athletics programs. No findings were noted.

Direct State or Other Government Support – We noted direct state or other government support did not exceed 0.5% of total revenues. Therefore, we did not perform these procedures.

Direct Institutional Support – We compared direct institutional support recorded by the institution during the reporting period with the institutional supporting budget transfers documentation and other corroborative supporting documentation and recalculated totals. No findings were noted.

Transfers Back to Institution – We noted transfers back to the Institution did not exceed 0.5% of total revenues. Therefore, we did not perform specific procedures.

Indirect Institutional Support – We compared the indirect institutional support recorded by the Department during the reporting period with expense payments, cost allocation detail and other corroborative supporting documentation and recalculated totals. No findings were noted.

Guarantees – we selected a sample of settlement reports for away games during the reporting period, agreed each selection to the Department's general ledger and/or the statement, and recalculated totals. We selected a sample of contractual agreements pertaining to revenues derived from guaranteed contests during the reporting period and compared and agreed each selection to the Department's general ledger and/or the statement and recalculated totals. No findings were noted.

Contributions – 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.

In-Kind – We noted in-kind contributions did not exceed 0.5% of total revenues. Therefore, we did not perform specific procedures.

Compensation and Benefits Provided by a Third Party – We noted compensation and benefits provided by a third party did not exceed 0.5% of total revenues. Therefore, we did not perform specific procedures.

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

Revenues (Continued):

Media Rights – We noted media rights did not exceed 0.5% of total revenues. Therefore, we did not perform specific procedures.

NCAA Distributions – We compared the amounts recorded in the revenue and expense reporting to general ledger detail for NCAA distributions and other corroborative supporting documents and recalculated totals. No findings were noted.

Conference Distributions – We noted conference distributions did not exceed 0.5% of total revenues. Therefore, we did not perform specific procedures.

Program Sales, Concessions, Novelty Sales, and Parking – We noted program sales, concessions, novelty sales, and parking did not exceed 0.5% of total revenues. Therefore, we did not perform specific procedures.

Royalties, Licensing, Advertisements and Sponsorships – We obtained and inspected agreements related to the institution's participation in revenues from royalties, licensing, advertisements and sponsorships during the reporting period to gain an understanding of the relevant terms and conditions. We compared and agreed the related revenues to the Department's general ledger, and/or the statement and recalculated totals. No findings were noted.

Sports Camp Revenues – We inspected sports camp contracts between the institution and persons conducting institutional sports-camps or clinics during the reporting period to obtain an understanding of the institution's methodology for recording revenues from sports-camps. We obtained schedules of camp participants, selected a sample of individual camp participant cash receipts from the schedule of sports-camp participants, and agreed each selection to the Department's general ledger and/or the statement and recalculated totals. No findings were noted.

Athletics Restricted Endowment and Investment Income – We noted athletics restricted endowment and investment income did not exceed 0.5% of total revenues. Therefore, we did not perform specific procedures.

Other – We noted other income did not exceed 0.5% of total revenues. Therefore, we did not perform specific procedures.

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

Expenses:

Athletic Student Aid – We selected a sample of students from the listing of institutional student aid recipients during the reporting period. We obtained individual student account detail for each selection and compared total aid allocated from the related aid award letter to the student's account. We performed a check of each student selected to ensure their information was either reported accurately in the NCAA's CA software or entered directly into the NCAA Membership Financial Reporting System. We recalculated totals for each sport and overall. No findings were noted.

Guarantees – We noted game guarantees did not exceed 0.5% of total expenses. Therefore, we did not perform specific procedures.

Coaching Salaries, Benefits, and Bonuses Paid by the University and Related Entities – We obtained and inspected a listing of coaches employed by the institution and related entities during the reporting period. We selected a sample of coaches' contracts, which included football and men's and women's basketball, from the listing. We compared and agreed the financial terms and conditions of each selection to the related coaching salaries, benefits, and bonuses recorded by the Department and related entities in the statement during the reporting period. We obtained and inspected payroll summary registers for the reporting year for each selection. We compared and agreed payroll summary registers from the reporting period to the related coaching salaries, benefits, and bonuses paid by the institution and related entities expense recorded by the institution in the statement during the reporting period. We compared and agreed the totals recorded to any employment contracts executed for the sample selected and recalculated totals. No findings were noted.

Coaching and Other Compensation and Benefits Paid by a Third Party – We noted coaching and other compensation and benefits paid by a third party did not exceed 0.5% of total expenses. Therefore, we did not perform specific procedures.

Support Staff/Administrative Salaries, Benefits and Bonuses Paid by the University and Related Entities – We selected a sample of support staff/administrative personnel employed by the institution and related entities during the reporting period. We obtained and inspected the reporting period summary payroll register for each selection. We compared and agreed the related summary payroll register to the related support staff administrative salaries, benefits and bonuses paid by the Department and related entities expense recorded by the institution in the statement during the reporting period and recalculated totals. No findings were noted.

Support Staff/Administrative Salaries, Benefits, and Bonuses Paid by a Third Party – We noted support staff/administrative salaries, benefits, and bonuses paid by a third party did not exceed 0.5% of total expenses. Therefore, we did not perform specific procedures.

Severance Payments – We noted severance payments did not exceed 0.5% of total expenses. Therefore, we did not perform specific procedures.

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

Expenses (Continued):

Recruiting – We obtained and documented an understanding of the institution’s recruiting expense policies. We compared and agreed them to existing institutional- and NCAA-related policies. We Obtain general ledger detail and compared to the total expenses reported and recalculated totals. No findings were noted.

Team Travel – We obtained and documented an understanding of the institution’s team travel policies. We compared and agreed them to existing institutional- and NCAA-related policies. We obtained general ledger detail and compared to the total expenses reported We selected a sample of transactions to validate existence of transaction and accuracy of recording and recalculated totals. No findings were noted.

Equipment, Uniforms, and Supplies – We obtained general ledger detail and compared to the total expenses reported. We selected a sample of transactions to validate existence of transaction and accuracy of recording and recalculated totals. No findings were noted.

Game Expenses – We obtained general ledger detail and compared to the total expenses reported. We selected a sample of transactions to validate existence of transaction and accuracy of recording and recalculated totals. No findings were noted.

Fundraising, Marketing, and Promotion – We noted fundraising, marketing and promotion did not exceed 0.5% of total expenses. Therefore, we did not perform specific procedures.

Sports Camps Expenses – We obtained general ledger detail and compared to the total expenses reported. We selected a sample of transactions to validate existence of transaction and accuracy of recording and recalculated totals. No findings were noted.

Spirit Groups – We noted spirit groups did not exceed 0.5% of total expenses. Therefore, we did not perform specific procedures.

Athletic Facility Debt Service, Leases, and Rental Fees – We noted athletic facility debt service, leases, and rental fees did not exceed 0.5% of total expenses. Therefore, we did not perform specific procedures.

Direct Overhead and Administrative Expenses – We obtained general ledger detail and compared to the total expenses reported. We selected a sample of transactions to validate existence of transaction and accuracy of recording and recalculated totals. No findings were noted.

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

Expenses (Continued):

Indirect Institutional Support – Tested in connection with Indirect Institutional Support revenues. No findings were noted.

Medical Expenses and Medical Insurance – We obtained general ledger detail and compared to the total expenses reported. We selected a sample of transactions to validate existence of transaction and accuracy of recording and recalculated totals. No findings were noted.

Memberships and Dues Expenses – We obtained general ledger detail and compared to the total expenses reported. We selected a sample of transactions to validate existence of transaction and accuracy of recording and recalculated totals. No findings were noted.

Other Operating Expenses – We obtained general ledger detail and compared to the total expenses reported. We selected a sample of transactions to validate existence of transaction and accuracy of recording and recalculated totals. No findings were noted.

Additional Agreed-Upon Procedures

We compared and agreed the sports sponsored reported in the NCAA Membership Financial Reporting System to the squad lists of the Department. 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, 2015, 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
January 13, 2016

**EASTERN WASHINGTON UNIVERSITY INTERCOLLEGIATE ATHLETICS PROGRAM
STATEMENT OF REVENUES AND EXPENSES
YEAR ENDED JUNE 30, 2015**

	Football	Men's Basketball	Women's Basketball	Other Sports	Non-Program Specific	Total
OPERATING REVENUES						
Ticket Sales	\$ 549,296	\$ 118,426	\$ 13,821	\$ 4,166	\$ -	\$ 685,709
Student Fees	-	-	-	-	2,256,000	2,256,000
Direct State or Other Government Support	-	-	-	-	-	-
Direct Institutional Support	1,128,955	334,249	580,243	2,265,019	1,928,034	6,236,500
Transfers Back to Institution	-	-	-	-	-	-
Indirect Institutional Support	219,542	88,959	78,516	354,876	128,148	870,041
Guarantees	470,000	243,000	10,000	3,500	-	726,500
Contributions	123,519	163,958	3,522	92,543	719,940	1,103,482
In-Kind	-	4,000	2,000	-	-	6,000
Compensation and Benefits Provided by a Third Party	-	-	-	-	-	-
Media Rights	-	-	-	-	-	-
NCAA Distributions	195,993	-	-	-	511,520	707,513
Conference Distributions	-	-	-	-	-	-
Program Sales, Concessions, Novelty Sales, and Parking	20,224	-	-	-	-	20,224
Royalties, Licensing, Advertisements and Sponsorships	1,000	-	-	-	105,826	106,826
Sports Camps Revenues	489,814	121,391	53,428	104,551	-	769,184
Athletics Restricted Endowment and Investment Income	-	-	-	-	-	-
Other	-	-	-	-	2,488	2,488
Subtotal Operating Revenues	<u>3,198,343</u>	<u>1,073,983</u>	<u>741,530</u>	<u>2,824,655</u>	<u>5,651,956</u>	<u>13,490,467</u>
OPERATING EXPENSES						
Athletics Student Aid	1,291,937	391,850	307,370	1,512,943	184,180	3,688,280
Guarantees	40,000	8,000	4,299	-	-	52,299
Coaching Salaries, Benefits, and Bonuses Paid by the University and Related Entities	1,167,470	340,452	288,545	825,248	-	2,621,715
Coaching Other Compensation and Benefits Paid by a Third-Party	-	-	-	-	-	-
Support Staff/Administrative Salaries, Benefits, and Bonuses Paid by the University and Related Entities	-	-	-	-	1,970,112	1,970,112
Support Staff/Administrative Other Compensation and Benefits Paid by a Third-Party	-	-	-	-	-	-
Severance Payments	-	-	-	-	-	-
Recruiting	106,611	51,270	30,513	34,398	-	222,792
Team Travel	526,420	183,786	159,852	634,737	-	1,504,795
Equipment, Uniform, and Supplies	292,103	26,467	28,179	280,844	170,063	797,656
Game Expenses	170,003	82,500	81,500	16,650	-	350,653
Fundraising, Marketing, and Promotion	-	-	-	-	47,184	47,184
Sports Camps Expenses	404,994	16,028	30,756	44,889	-	496,667
Spirit Groups	-	-	-	-	-	-
Athletic Facilities, Debt Service, Leases and Rental Fees	-	-	-	-	-	-
Direct Overhead and Administrative Support	20,277	174	635	10,308	76,136	107,530
Indirect Institutional Support	219,542	88,959	78,516	354,876	128,148	870,041
Medical Expenses and Medical Insurance	-	-	-	-	291,412	291,412
Memberships and Dues	1,420	1,394	1,250	34,358	50,191	88,613
Other Operating Expenses	244,129	145,338	35,776	173,147	599,404	1,197,794
Subtotal Operating Expenses	<u>4,484,906</u>	<u>1,336,218</u>	<u>1,047,191</u>	<u>3,922,398</u>	<u>3,516,830</u>	<u>14,307,543</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENSES	<u>\$ (1,286,563)</u>	<u>\$ (262,235)</u>	<u>\$ (305,661)</u>	<u>\$ (1,097,743)</u>	<u>\$ 2,135,126</u>	<u>\$ (817,076)</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, 2015**

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, 2015, were \$312,557. 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, 2015, were \$1,137,039.

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 \$47,495 in additions and \$28,275 in disposals during the year, were \$783,357 at June 30, 2015.

SUPPLEMENTAL SCHEDULE

**EASTERN WASHINGTON UNIVERSITY INTERCOLLEGIATE ATHLETICS PROGRAM
SUPPLEMENTAL ANALYSIS OF REVENUES AND EXPENSES
YEAR ENDED JUNE 30, 2015**

	2015	2014	Variance		Percent of Total
			Amount	Percent	
REVENUES					
Operating Revenues:					
Ticket Sales	\$ 685,709	\$ 344,137	\$ 341,572	99%	5.1%
Student Fees	2,256,000	2,256,000	-	-	16.7
Direct State or Other Government Support	-	-	-	-	-
Direct Institutional Support	6,236,500	5,874,772	361,728	6	46.2
Transfers Back to Institution	-	-	-	-	-
Indirect Institutional Support	870,041	1,022,235	(152,194)	(15)	6.4
Guarantees	726,500	1,042,720	(316,220)	(30)	5.4
Contributions	1,103,482	726,708	376,774	52	8.2
In-Kind	6,000	-	6,000	100	-
Compensation and Benefits Provided by a Third Party	-	-	-	-	-
Media Rights	-	-	-	-	-
NCAA Distributions	707,513	599,377	108,136	18	5.2
Conference Distributions	-	-	-	-	-
Program Sales, Concessions, Novelty Sales, and Parking	20,224	-	20,224	100	0.1
Royalties, Licensing, Advertisements and Sponsorships	106,826	107,264	(438)	-	0.8
Sports Camps Revenues	769,184	856,032	(86,848)	(10)	5.7
Athletics Restricted Endowment and Investment Income	-	-	-	-	-
Other	2,488	29,142	(26,654)	(91)	-
Subtotal Operating Revenues	<u>13,490,467</u>	<u>12,858,387</u>			100.0%

**EASTERN WASHINGTON UNIVERSITY INTERCOLLEGIATE ATHLETICS PROGRAM
SUPPLEMENTAL ANALYSIS OF REVENUES AND EXPENSES (CONTINUED)
YEAR ENDED JUNE 30, 2015**

	2015	2014	Variance		Percent of Total
			Amount	Percent	
EXPENSES					
Operating Expenses:					
Athletics Student Aid	\$ 3,688,280	\$ 3,441,566	\$ 246,714	7%	25.8%
Guarantees	52,299	47,580	4,719	10	0.4
Coaching Salaries, Benefits, and Bonuses Paid by the University and Related Entities	2,621,715	2,410,851	210,864	9	18.3
Coaching Other Compensation and Benefits Paid by a Third-Party	-	-	-	-	-
Support Staff/Administrative Salaries, Benefits, and Bonuses Paid by the University and Related Entities	1,970,112	1,752,716	217,396	12	13.8
Support Staff/Administrative Other Compensation and Benefits Paid by a Third-Party	-	-	-	-	-
Severance Payments	-	-	-	-	-
Recruiting	222,792	159,310	63,482	40	1.6
Team Travel	1,504,795	1,670,289	(165,494)	(10)	10.5
Equipment, Uniform, and Supplies	797,656	769,072	28,584	4	5.6
Game Expenses	350,653	35,726	314,927	882	2.5
Fundraising, Marketing, and Promotion	47,184	56,285	(9,101)	(16)	0.3
Sports Camps Expenses	496,667	492,406	4,261	1	3.5
Spirit Groups	-	-	-	-	-
Athletic Facilities, Debt Service, Leases and Rental Fees	-	-	-	-	-
Direct Overhead and Administrative Support	107,530	118,748	(11,218)	(9)	0.8
Indirect Institutional Support	870,041	1,022,235	(152,194)	(15)	6.1
Medical Expenses and Medical Insurance	291,412	235,493	55,919	24	2.0
Memberships and Dues	88,613	282,814	(194,201)	(69)	0.6
Other Operating Expenses	1,197,794	865,649	332,145	38	8.4
Subtotal Operating Expenses	<u>14,307,543</u>	<u>13,360,740</u>			100.0%
Total	<u>\$ (817,076)</u>	<u>\$ (502,353)</u>			

**EASTERN WASHINGTON UNIVERSITY INTERCOLLEGIATE ATHLETICS PROGRAM
SUPPLEMENTAL ANALYSIS OF REVENUES AND EXPENSES (CONTINUED)
YEAR ENDED JUNE 30, 2015**

Explanations of variances of expense accounts over 10% of the total expense amounts with variations from prior year over \$1,000,000 and/or 10%.

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

An Assistant Athletic Director of Development and Revenue position was added for fiscal year 2015. The strength and conditioning department was without a department head and an assistant, both full-time positions, for a good portion of 2013-14. Both positions were filled for the 2014-15 fiscal year. The training room also had vacant positions that were filled in 2014-15. The remaining variance is due to salary increases for support staff.

Team Travel

The reduction was primarily from football travel for the year. The football team had seven away contests for the 2013 season, six of which were flights (Oregon State, Toledo, Sam Houston State, North Dakota, Idaho State, Cal Poly) and several, if not all, of which were chartered. There was only one bus trip (Montana). In the 2014 season, however, the football team only had six away contests, three of which were flights (UC Davis, Southern Utah, Northern Arizona) and the other three were bus trips (Washington, Montana State, Portland State). One less game and having more bus trips brought costs down significantly.