

**FORT LEWIS COLLEGE  
DURANGO, COLORADO**

**ATHLETICS DEPARTMENT STATEMENT  
OF REVENUES AND EXPENSES**

**INDEPENDENT ACCOUNTANTS' REPORT  
ON APPLYING AGREED-UPON PROCEDURES  
IN ACCORDANCE WITH NATIONAL  
COLLEGIATE ATHLETIC ASSOCIATION  
CONSTITUTION 6.2.3.1.1**

**YEAR ENDED JUNE 30, 2013**



Wall,  
Smith,  
Bateman Inc.

## INDEPENDENT ACCOUNTANT'S REPORT ON THE APPLICATION OF AGREED-UPON PROCEDURES

Members of the Legislative Audit Committee and  
Management of Fort Lewis College

We have performed the procedures enumerated below, which were agreed to by the Legislative Audit Committee, the Board of Trustees, and administration of Fort Lewis College (the College) solely to assist the College in evaluating whether the accompanying statement of revenues and expenses of the College is in compliance with the National Collegiate Athletic Association ("NCAA") Constitution 6.2.3.1.1 for the year ended June 30, 2013. The College's management is responsible for the statement of revenue 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 Revenue and Expenses**

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

#### **General Revenues**

- λ We obtained the statement of revenues and expenses (the statement) for the year ended June 30, 2013, prepared by management (page 8). We recalculated the total amounts on the statement, traced the amounts on the statement to management's worksheets and agreed the amounts on management's worksheets to the amounts on the College's general ledger. We compared and agreed a sample of operating revenue receipts (see specific receipts below) from management's worksheets to adequate supporting documentation. We compared each major revenue account to prior period amounts. The College does prepare an annual budget for the athletics department; however, it is not classified in a manner to facilitate comparison to individual financial statement lines. No exceptions were noted.

#### **Ticket Sales**

- λ We compared and agreed tickets sold and complimentary tickets provided in the reporting period to the related revenue without exception. The College does not account for unsold tickets. Ticket sales revenue of \$33,242 was reported for the reporting period ending June 30, 2013.

#### **Student Fees**

- λ We obtained and documented an understanding of the College's methodology for allocating student fees to intercollegiate athletics programs.
- λ We compared, recalculated, and agreed student fees reported by the College in the statement to the reporting of student enrollments during the same reporting period without exception.

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### **Guarantees**

- λ We selected a contractual agreement for the amount of \$50,000 pertaining to revenues derived from guaranteed contests, for football, during the reporting period and compared and agreed the selection to the College's general ledger without exception.

### **Contributions**

- λ We compared each major revenue account to prior period amounts. There were no significant variations noted; however, contributions are a nonreciprocal transaction, so an increase or decrease cannot be controlled by the College.
- λ We reviewed the College's detailed accounting records to identify all individual contributions received by the athletic department that individually constituted more than ten percent of the total contributions ( $\$730,697 \times 10\% = \$73,070$ ) received by the College's athletic department during the reporting period. We identified two such contributions: one of \$288,400 and the other for \$240,000. We obtained and reviewed all supporting documentation related to these contributions without exception.

### **Compensation and Benefits Provided by a Third-Party**

- λ We inquired about any compensation and benefits provided by a third-party recorded during the reporting period. The College represented that no compensation and benefits provided by a third-party were received.

### **Direct State or Other Governmental Support**

- λ We inquired about any direct state or other governmental support recorded during the reporting period. The College represented that no direct state or other governmental support was received.

### **Direct Institutional Support**

- λ We compared the direct College support recorded by the College during the reporting period with state appropriations, institutional authorizations, and other corroborative supporting documentation without exception.

### **Indirect Facilities and Administrative Support**

- λ We inquired about any indirect facilities and administrative support recorded during the reporting period. The College represented that no indirect facilities and administrative support was received.

### **NCAA/Conference Distributions Including All Tournament Revenue**

- λ We obtained and inspected agreements related to the College's participation in revenues from tournaments during the reporting period to gain an understanding of the relevant terms and conditions. During the reporting period the College hosted a men's basketball, a women's basketball, and a men's cross country tournament. The revenue received from the NCAA from these tournaments was \$7,200, \$4,500, and \$3,765, respectively. We compared, recalculated, and agreed the revenues received to the College's general ledger without exception.

### **Broadcast, Television, Radio, and Internet Rights**

- λ We inquired about agreements related to the College's participation in revenues from broadcast, television, radio, and internet rights to gain an understanding of the relevant terms and conditions. The College represented that there was no participation in the aforementioned agreements during the reporting period.

### **Program Sales, Concessions, Novelty Sales, and Parking**

- λ We obtained a listing of all revenue received from program sales, concessions, novelty sales, and parking. We compared, recalculated, and agreed revenue to adequate supporting documentation and the College's general ledger without exception.

### **Royalties, Licensing, Advertisements, and Sponsorships**

- λ We obtained and inspected a sample of four agreements related to the College'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, recalculated, and agreed the related revenues to the College's general ledger without exception.

### **Sports Camp Revenues**

- λ We obtained sports camp participation lists and reconciliations of revenue and expenses of those sports camps to obtain an understanding of the College's methodology for recording revenues from sports camps. We compared, recalculated, and agreed the related revenues, per the reconciliations, to the College's general ledger without exception.
- λ We obtained a schedule of camp participants and selected a sample of individual camp participant cash receipts from the schedule of sports-camp participants for the men's basketball camp and the men's soccer camp and agreed each selection to the institution's general ledger without exception.
- λ The revenues recorded on the College's general ledger exceeded the revenue recorded on participation lists for men's basketball and men's soccer by \$1,950 and \$75, respectively. The difference is attributable to payments made by camp participants recorded in different fiscal reporting periods.

### **Endowment and Investment Income**

- λ We obtained and inspected a sample of two athletic endowment agreements to obtain an understanding of the relevant terms and conditions.
- λ We compared, recalculated, 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.

### **Other**

- λ We compared and agreed all other operating revenue categories recorded on the statement during the reporting period to supporting schedules provided by the College without exception.
- λ We obtained and inspected a sample of operating revenue receipts selected from the operating revenue supporting schedules. We compared and agreed the sample to adequate supporting documentation without exception.
- λ We compared each revenue account to prior period amounts and reviewed any variance in excess of 10%. The College does prepare an annual budget for the athletics department; however, it is not classified in a manner to facilitate comparison to individual financial statement lines; therefore, no comparison was made.

### **General Expenses**

- λ We obtained the statement of revenues and expenses (the statement) for the year ended June 30, 2013, prepared by management (page 8). We recalculated the total amounts on the statement, traced the amounts on the statement to management's worksheets and agreed the amounts on management's worksheets to the amounts on the College's general ledger. We compared and agreed a sample of operating expenses (see specific expenses below) from management's worksheets to adequate supporting documentation. We compared each major expense account to prior period amounts. The College does prepare an annual budget for the athletics department; however, it is not classified in a manner to facilitate comparison to individual financial statement lines. No exceptions were noted.

### **Athletic Student Aid**

- λ We selected a sample of eleven students from the listing of College student athletes receiving athletic student aid during the reporting period.
- λ 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 without exception.
- λ We compared, recalculated, and agreed the related revenues to the College's general ledger without exception.

### **Guarantees**

- λ We inquired about expenses related to guarantees during the reporting period. The College represented that there was one guarantee payment made during the reporting period for \$350. This amount is included in the other operating expenses for women's basketball.

### **Coaching Salaries, Benefits, and Bonuses Paid by the College and Related Entities**

- λ We obtained and inspected a listing of coaches employed by the College during the reporting period.
- λ We selected a sample of four head coaches' contracts including football, men's basketball, women's basketball, and men's soccer from the above listing and read each contract.
- λ We compared, recalculated, and agreed the financial terms and conditions of each selection to the related coaching salaries, benefits, and bonuses recorded by the College in the statement during the reporting period without exception.
- λ We obtained and inspected IRS Form W-2 for each selection.
- λ We compared and agreed IRS Form W-2s to the related coaching salaries, benefits, and bonuses paid by the College in the statement during the reporting period without exception.

**Coaching Compensation and Benefits Paid by a Third-Party**

- λ We inquired about coaches employed by third parties during the reporting period. The College represented that all coaches are employed solely by the College.

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

- λ We selected a sample of five support staff/administrative personnel employed by the College and related entities during the reporting period.
- λ We obtained and inspected IRS Form W-2 for each selection.
- λ We compared, recalculated, and agreed IRS Form W-2s to the related staff/administrative salaries, benefits, and bonuses expense recorded by the College in the statement during the reporting period without exception.

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

- λ We inquired about support staff/administrative employees employed by third parties during the reporting period. The College represented that all support staff/administrative employees are employed solely by the College.

**Severance Payments**

- λ We inquired about coaches or other department employees receiving severance payments from the College during the reporting period. The College represented that there were no severance payments during the reporting period.

**Recruiting**

- λ We obtained and documented an understanding of the College's recruiting expense policies.
- λ We compared and agreed the existing College policies to NCAA-related policies without exception.

**Team Travel**

- λ We obtained and documented an understanding of the College's team travel policies.
- λ We compared and agreed the existing College policies to NCAA-related policies without exception.

**Equipment, Uniforms, and Supplies**

- λ We compared, recalculated, and agreed equipment, uniform, and supplies expense reported in the statement during the reporting period to supporting schedules provided by the College without exception.
- λ We selected a sample of two expenses related to purchase of equipment, uniforms, and supplies, and compared and agreed the expenses to adequate supporting documentation without exception.
- λ We compared the total equipment, uniforms, and supplies expense to prior period amounts and documented an understanding of any significant variations.

### **Game Expenses**

- λ We compared, recalculated, and agreed game expenses reported in the statement during the reporting period to supporting schedules provided by the College without exception.
- λ We selected a sample of two game expenses and compared and agreed the expenses to adequate supporting documentation without exception.
- λ We compared the total game expense to prior period amounts and documented an understanding of any significant variations.

### **Fundraising, Marketing, and Promotion**

- λ We compared, recalculated, and agreed fundraising, marketing, and promotion expenses reported in the statement during the reporting period to supporting schedules provided by the College without exception.
- λ We selected a sample of two fundraising, marketing, and promotion expenses and compared and agreed the expenses to adequate supporting documentation without exception.
- λ We compared the total fundraising, marketing, and promotion expense to prior period amounts and documented an understanding of any significant variations.

### **Sports Camp Expenses**

- λ We compared, recalculated, and agreed sports camp expenses reported in the statement during the reporting period to supporting schedules provided by the College without exception.
- λ We selected a sample of two sports camp expenses and compared and agreed the expenses to adequate supporting documentation without exception.
- λ We compared the total sports camp expense to prior period amounts and documented an understanding of any significant variations.

### **Direct Facilities, Maintenance, and Rental**

- λ We compared, recalculated, and agreed direct facilities, maintenance, and rental expense reported in the statement during the reporting period to supporting schedules provided by the College.
- λ We examined one payment of \$1,570 reported by women's basketball and compared and agreed the expense to adequate supporting documentation without exception.
- λ We compared the total direct facilities, maintenance, and rental expense to prior period amounts and documented an understanding of any significant variations.

### **Spirit Groups**

- λ We inquired about expenses related to spirit groups during the reporting period. The College represented that there were no such expenses.

### **Indirect Facilities and Administrative Support**

- λ We inquired about expenses related to indirect facilities and administrative support during the reporting period. The College represented that there were no such expenses.

### **Medical Expenses and Medical Insurance**

- λ We compared, recalculated, and agreed medical expenses and medical insurance expenses reported in the statement during the reporting period to supporting schedules provided by the College without exception.
- λ We selected a sample of two medical expenses and medical insurance expenses and compared and agreed the expenses to adequate supporting documentation without exception.
- λ We compared the total medical expense and medical insurance expense to prior period amounts and documented an understanding of any significant variations.

### **Memberships and Dues**

- λ We compared and agreed memberships and dues expenses reported in the statement during the reporting period to supporting schedules provided by the College without exception.
- λ We examined one payment of \$14,560 for memberships and dues and compared and agreed the expenses to adequate supporting documentation without exception.
- λ We compared the total memberships and dues expense to prior period amounts and documented an understanding of any significant variations.

### **Other Operating Expenses**

- λ We compared, recalculated, and agreed other operating expenses reported in the statement during the reporting period to supporting schedules provided by the College without exception.
- λ We selected a sample of two other operating expenses and compared and agreed the expenses to adequate supporting documentation without exception.
- λ We compared the total other operating expense to prior period amounts and documented an understanding of any significant variations.

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 revenue and expenses of Fort Lewis College. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Legislative Audit Committee, the Board of Trustees, and administration of the College and is not intended to be and should not be used by anyone other than these specified parties.



Wall, Smith, Bateman Inc.  
November 21, 2013



FORT LEWIS COLLEGE ATHLETICS DEPARTMENT  
STATEMENT OF REVENUES AND EXPENSES  
FISCAL YEAR ENDING JUNE 30, 2013

	Football	Men's Basketball	Women's Basketball	Other Sports	Non-Program Specific	Total
<b>Revenues</b>						
Ticket Sales	\$ 7,401	\$ 8,019	\$ 7,819	\$ 9,679	\$ 325	\$ 33,242
Student Fees	257,519	75,178	73,696	291,200	139,247	836,840
Guarantees	50,000	5,000	6,540	-	-	61,540
Contributions	6,483	401,931	11,117	290,415	20,751	730,697
Concessions	-	-	-	12,301	6,091	18,392
Direct Institutional Support	640,769	267,523	221,918	1,140,032	768,968	3,039,210
NCAA/Conference Distributions						
Including All Tournament Revenues	-	7,200	4,500	3,765	8,633	24,098
Program Sales, Concessions, Novelty Sales, and Parking	230	-	1,355	130	1,757	3,472
Royalties, Advertisements, and Sponsorships	3,858	4,089	2,335	8,929	26,662	45,873
Sports Camp Revenues	4,030	43,540	20,317	107,523	5,862	181,272
Endowment and Investment						
Income	602	2,688	2,349	14,290	8,066	27,996
Other	31,749	3,065	5,765	76,251	125,992	242,822
<b>Total Revenues</b>	<b>1,002,642</b>	<b>818,232</b>	<b>357,710</b>	<b>1,954,515</b>	<b>1,112,353</b>	<b>5,245,453</b>
<b>Expenses</b>						
Athletics Student Aid	502,912	200,764	155,256	932,006	-	1,790,938
Head Coaching Salaries, Benefits, and Bonuses Paid by the College	103,074	234,760	66,404	304,033	-	708,271
Asst Coaching Salaries, Benefits, and Bonuses Paid by the College	196,216	63,672	28,242	92,673	-	380,803
Support Staff/Administrative Salaries Paid by the College	-	-	5,143	12,265	525,742	543,150
Recruiting	31,204	13,097	9,441	19,347	-	73,089
Team Travel	70,823	59,609	29,510	197,561	14,301	371,803
Equipment, Uniforms, and Supplies	35,373	10,989	12,403	68,905	28,463	156,132
Game Expenses	7,216	9,316	8,035	35,324	1,485	61,376
Fund Raising, Marketing, and Promotion	312	-	495	193	19,915	20,914
Sports Camp Expenses	9,557	33,076	26,941	81,087	5,009	155,670
Direct Facilities, Maintenance, and Rental	-	-	1,570	2,996	-	4,566
Medical Expenses and Medical Insurance	-	-	-	-	82,958	82,958
Memberships and Dues	100	150	130	2,114	15,790	18,284
Other Operating Expenses	67,817	15,928	6,643	91,839	407,128	589,355
<b>Total Expenses</b>	<b>1,024,603</b>	<b>641,360</b>	<b>350,213</b>	<b>1,840,342</b>	<b>1,100,791</b>	<b>4,957,309</b>
<b>Excess/(Deficiency) of Revenues Over/(Under) Expenses</b>						
	<b>\$ (21,961)</b>	<b>\$ 176,872</b>	<b>\$ 7,497</b>	<b>\$ 114,173</b>	<b>\$ 11,562</b>	<b>\$ 288,144</b>

**FORT LEWIS COLLEGE ATHLETICS DEPARTMENT  
NOTES TO STATEMENT OF REVENUES AND EXPENSES  
YEAR ENDED JUNE 30, 2013**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The statement of revenues and expenses is prepared using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Expenses generally are recorded when a liability is incurred, as under accrual accounting. However, depreciation expense is not reported, but is disclosed below.

Accounting principles generally accepted in the United States require disclosure of certain significant estimates and current vulnerabilities due to certain concentrations. Substantially all contributions are received through the Fort Lewis College Foundation, Inc. Two specific contributions in the amounts of \$288,400 and \$240,000 were received by the men's basketball team and the men's soccer team, respectively, in 2013.

**NOTE 2 CAPITAL ASSETS**

Capital assets are recorded at cost for items purchased or at current market value at the date of acquisition for donated items. The College capitalizes equipment costing \$5,000 or more and having a useful life in excess of one year. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. Estimated useful lives range from 3 to 10 years for equipment and 20 to 50 years for facility improvements. The College Purchasing Director is responsible for controlling property procurement. The Department Director is responsible for informing the Purchasing Director of property received by donation. Department personnel are responsible for the safeguard, care, maintenance and proper use of all property assigned. Because the athletic department is considered to be a general fund activity for reporting purposes, no specific assets are allocated to athletics. There is no debt associated with the athletics department.

A bound report may be obtained by calling the  
Office of the State Auditor  
303-869-2800

Please refer to the Report Control Number below when requesting this report.

Report Control Number 1317F-A