



Office of Purchasing/Contract Management  
3410 Taft Boulevard Wichita Falls, Texas 76308-2099

April 27, 2017

## ADDENDUM ONE

Reference: Request for Qualifications #735-17-6198 Agreed Upon Procedures Questions

TO WHOM IT MAY CONCERN

The above referenced RFQ is receiving questions from potential vendors to represent the above listed RFQ. Below are the questions with MSU answers provided in red:

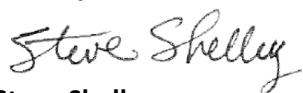
- May we get a copy of the University's most recent Agreed-Upon Procedures Report of the Athletic Financial Data? **Attached.**
- What was the fee for the most recent Agreed-Upon Procedures of the Athletic Financial Data? **Engagement letter with cost is attached.**
- When will the Athletics Department's Statement of Revenues and Expenses for the year ending August 31, 2017 be available to be tested? **Non-Financial Statement items will be available July 1. Financial Statement items will be available mid to late October.**
- How much will the University's Internal Auditor Department or others be available to provide the necessary schedules and analysis to be tested by the AUP? **100% - as much as needed.**
- Was the same work done by an independent accountant for the fiscal year ended August 31, 2016? **This is only required every three years. The last work was completed by an independent accountant for fiscal year ended August 31, 2014.**
- If yes to question 1 above, what is the reason the University is soliciting qualifications from other firms at this time? **MSU has a new director of Internal Audits who believe it is in the University's best interest to go through the competitive bidding process for all outsourced audit services, regardless of the cost. Additionally, state agencies must now request approval from the State Auditor's Office, through a delegation of authority request, when contracting for audit-related services.**
- Our understanding of this RFQ is that your plan is to evaluate qualifications, and then negotiate the project price with the selected firm. It means that you are not expecting proposed price information in the proposals. Please clarify if this understanding is incorrect. **Your understanding is correct.**
- We noted from the RFQ that on-site work could be any time between July 1, 2017 and November 30, 2017, and that the report should be ready by January 5, 2018. Please confirm when (i.e., the estimated date) the University will be ready to provide the

selected firm with (a) the schedule of athletics revenues and expenses for this engagement, and (b) the general ledger activity report of all athletics financial transactions for the fiscal year 2017. ? **Non-Financial Statement items will be available July 1. Financial Statement items will be available mid to late October**

- Was the independent accountant that performed the engagement for fiscal year ended August 31, 2016 able to perform some of the document testing from a remote location, or must all the work be performed within the University's physical facilities? **The prior accountant performed some work off site, especially the generation of the athletic income statements, etc. However, time was spent on campus reviewing coaches' contracts and gathering financial and other supporting information.**
- What was the University's fiscal year 2016 (a) athletics department's total revenues (including revenue from external sources and those allocated to athletics from University's internal sources), and (b) athletic department's total expenses? **Total Revenues = \$6,011,591. Total Expenses \$5,994,645**

If you have further questions please contact me.

Thank you.



Steve Shelley  
Director of Purchasing & Contract Management  
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Attachments

MIDWESTERN STATE UNIVERSITY  
ATHLETIC DEPARTMENT

*STATEMENT OF REVENUES &  
EXPENSES*

*AND*

*INDEPENDENT ACCOUNTANTS'  
REPORT OF AGREED UPON  
PROCEDURES*

AUGUST 31, 2014



Schultz & Company, PC  
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**Independent Accountants' Report  
on Applying Agreed-Upon Procedures**

Board of Regents  
Midwestern State University  
Wichita Falls, Texas

We have performed the procedures enumerated below, which were agreed to by the audit committees and managements of Midwestern State University, solely to assist you in evaluating the accompanying Statement of Revenue and Expenses of the Athletic Department for the year ended August 31, 2014. Midwestern State University's management is responsible for the statement of income and expenses. 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 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.

Our procedures and findings are described in Schedules A and B.

We were not engaged and did not conduct an examination, the objective of which would be the expression of an opinion on the accompanying Statement of Revenue and Expenses for the Midwestern State University Athletic Department. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have reported to you.

This report is intended solely for the information and use of the audit committees and management of Midwestern State University and the Athletic Department, and is not intended to be and should not be used by anyone other than these specified parties.

*Schultz & Co. PC CPAs*

Schultz & Company, PC, CPAs  
October 20, 2015

**Schedule A**  
**Midwestern State University Athletic Department**  
**Procedures and Findings**

**I. Agreed Upon Procedures Program for Revenues**

Following is a complete listing of the minimum agreed-upon procedures for revenues, by category, to be performed to the statement by the independent accountant.

Before the commencement of fieldwork, the independent accountant should ensure that the amounts reported on the statement agree to the institution's general ledger. For all revenue categories perform the minimum agreed-upon procedures set forth below.

1. Compare and agree each operating revenue category reported in the statement during the reporting period to supporting schedules provided by the institution.
2. Compare and agree a sample of operating revenue receipts obtained from the above operating revenue supporting schedules to adequate supporting documentation.
3. Compare each major revenue account to prior period amounts and budget estimates. Obtain and document an understanding of any significant variations.

**Ticket Sales**

- Compare tickets sold during the reporting period, complimentary tickets provided during the reporting period, and unsold tickets to the related revenue reported by the institution in the statement and the related attendance figures.
- Recalculate totals.

**Student Fees**

- Compare and agree student fees reported by the institution to student enrollments during the same reporting period.



- Obtain and document an understanding of institution's methodology for allocating student fees to intercollegiate athletic programs.
- Recalculate totals.

### **Guarantees**

- Select a sample of settlement reports for away games during the reporting period and agree each selection to the institution's general ledger and/or the statement.
- Select a sample of contractual agreements pertaining to revenues derived from guaranteed contest during the reporting period and compare and agree each selection to the institution's general ledger and/or the statement.
- Recalculate totals.

### **Contributions**

- Compare each major revenue account to prior period amounts and budget estimates. Obtain and document an understanding of any significant variations.
- 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 of all contributions received for intercollegiate athletics during the reporting periods shall obtain and review supporting documentation for each contribution.

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

- Obtain the summary of revenues from affiliated and outside organizations (the "Summary") as of the end of the reporting period from the institution.
- Select a sample of funds from the Summary and compare and agree each selection to supporting documentation, the institution's general ledger, and/or Summary.
- Recalculate totals.
- If the third party was audited by independent auditors, obtain the related independent auditor's report.

### **Direct State or Other Government Support**

- Compare direct state or other governmental support recorded by the institution during the reporting period with state appropriations, institutional authorizations, and/or other corroborative supporting documentation.
- Recalculate totals.

### **Direct Institutional Support**

- Compare the direct institutional support recorded by the institution during the reporting period with state appropriations, institutionalized authorizations, and/or other corroborative supporting documentation.
- Recalculate totals.

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

- Compare the indirect institutional support recorded by the institutions during the reporting period with state appropriations, institutional authorizations, and/or other corroborative supporting documentation.
- Recalculate totals.

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

- Obtain and inspect agreements related to the institution's participation in revenues from tournaments during the reporting period to gain an understanding of the relevant terms and conditions.
- Compare and agree the related revenues to the institution's general ledger and/or the statement.
- Recalculate totals.

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

- Obtain and inspect agreements related to the institution's participation in revenues from tournaments during the reporting period to gain and understanding of the relevant terms and conditions.
- Compare and agree related revenues to the institution's general ledger and/or the statement.
- Recalculate totals.

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

- Perform minimum agreed-upon procedures referenced for all revenue categories.
- Recalculate totals.

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

- Obtain and inspect agreements related to the institution's participation in revenues from royalties, advertisements, and sponsorships during the reporting period to gain an understanding of the relevant terms and conditions.
- Recalculate totals.

### **Sports Camp Revenues**

- Inspect sports camp contract(s) between the institution and person(s) 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.
- Obtain schedules of camp participants.
- Select a sample of individual camp participant cash receipts from the schedule of sports camps participants and agree each selection to the institution's general ledger and/or the statement.
- Recalculate totals.

### **Endowment and Investment Income**

- Obtain and inspect endowment agreements (if any) to gain an understanding of the relevant terms and conditions.
- Compare and agree 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.
- Recalculate totals.

### **Other**

- I. Perform the minimum agreed-upon procedures references for all revenue categories.
- II. Recalculate totals.



## **II. AGREED-UPON PROCEDURES PROGRAM FOR EXPENSES**

Following is a complete listing of the minimum agreed-upon procedures for expenses, by category, to be performed to the statement by the independent accountant. Before the commencement of fieldwork, the independent accountant should ensure that the amounts reported on the statement agree to the institution's general ledger.

1. Compare and agree each operating expense category reported in the statement during the reporting period to supporting schedules provided by the institution.
2. Compare and agree a sample of operating expenses obtained from the above operating expense supporting schedules to adequate supporting documentation.
3. Compare and agree each major expense account to prior period amounts and budget estimates. Obtain and document an understanding of any significant variations.

### **General**

- Compare each major expense account to prior-period amounts and budget estimates.
- Obtain and document an understanding of any significant variations.
- Recalculate totals.

### **Athletic Student Aid**

- Select a sample of students from the listing of institutional student aid recipients during the reporting period.
- Obtain an individual student-account detail for each selection and compare total aid allocated from the related aid award letter to the student's account.
- Recalculate totals.

### **Guarantees**

- Obtain and inspect away-game settlement reports received by the institution during the reporting period and agree related expenses to the institution's general ledger and/or the statement.

- Obtain and inspect contractual agreements pertaining to expenses recorded by the institution from guaranteed contest during the reporting period.
- Compare and agree related amounts expensed by the institution to the institution's general ledger and/or the statement.
- Recalculate totals.

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

- Obtain and inspect a listing of coaches employed by the institution and related entities during the reporting period.
- Select a sample of coaches' contracts that must include football and men's and women's basketball from the above listing.
- Compare and agree the financial terms and conditions of each selection to the related coaching salaries, benefits, and bonuses recorded by the institution and related entities in the statement during the reporting period.
- Obtain and inspect W-2s, 1099s, etc. for each selection.
- Compare and agree related W-2s, 1099s, etc. to the related coaching salaries, benefits, and bonuses paid by the institution and related entities expenses recorded by the institution in the statement during the reporting period.
- Recalculate totals.

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

- Obtain and inspect a listing of coaches employed by third parties during the reporting period.
- Compare 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 institution in the statement during the reporting period.
- Obtain and inspect W-2s, 1099s, etc. for each selection.
- Compare and agree related W-2s, 1099s, etc. to the related coaching other compensation and benefits paid by a third party expenses recorded by the institutions in the statement during the reporting period.
- Recalculate totals.

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

- Select a sample of support staff/administrative personnel employed by the institution and related entities during the reporting period.
- Obtain and inspect W-2s, 1099s, etc. for each selection.
- Compare and agree related W-2s, 1099s, etc. to the related support staff/administrative salaries, benefits, and bonuses paid by the institution and related entities expenses recorded by the institution in the statement during the reporting period.
- Recalculate totals.

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

- Select a sample of support staff/administrative personnel employed by third parties during the reporting period.
- Obtain W-2s, 1099s, etc. for each selection.
- Compare and agree related W-2s, 1099s, etc. to the related support staff/administrative other compensation and benefits expenses recorded by the institution in the statement during the reporting period.
- Recalculate totals.

### **Severance Payments**

- Select a sample of employees receiving severance payments by the institution during the reporting period and agree each severance payment to the related termination letter or unemployment contract.
- Recalculate totals.

### **Recruiting**

- Obtain and document an understanding of the institution's recruiting expense policies.
- Compare and agree to existing institutional- and NCAA-related policies.

### **Team Travel**

- Obtain and document an understanding of the institution's team travel policies.

- Compare and agree existing institutional- and NCAA- related policies.

#### **Equipment, Uniforms and Supplies**

- Perform minimum agreed-upon procedures referenced for all expense categories.
- Recalculate totals.

#### **Game Expenses**

- Perform minimum agreed-upon procedures referenced for all expense categories.
- Recalculate totals.

#### **Fund Raising, Marketing and Promotion**

- Perform minimum agreed-upon procedures referenced for all expense categories.
- Recalculate totals.

#### **Sports Camp Expenses**

- Perform minimum agreed-upon procedures referenced for all expense categories.
- Recalculate totals.

#### **Direct Facilities, Maintenance and Support**

- Perform minimum agreed-upon procedures referenced for all expense categories.
- Recalculate totals.

#### **Spirit Groups**

- Perform minimum agreed-upon procedures referenced for all expense categories.
- Recalculate totals.



### **Indirect Facilities, Maintenance and Rental**

- Obtain and document an understanding of the institution's methodology for all allocating indirect student support.
- Sum the indirect facilities support and indirect institutional support totals reported by the institution in the statement.
- Compare and agree Indirect Facilities and Administrative Support reported by the institution in the statement to the corresponding revenue category (indirect facilities and administrative support-category 8) reported by the institution in the statement.
- Recalculate totals.

### **Medical Expense and Medical Insurance**

- Perform minimum agreed-upon procedures referenced for all expense categories.
- Recalculate totals.

### **Membership and Dues**

- Perform minimum agreed-upon procedures referenced for all expense categories.
- Recalculate totals.

### **Other Operating Expenses**

- Perform minimum agreed-upon procedures referenced for all expense categories.
- Recalculate totals.

### **Scope**

- This report does not include any expectations below an agreed to materiality of \$8,000.

## **III. FINDINGS**

Based on our examination, we did not note any instance of material noncompliance with the National Collegiate Athletic Association (NCAA) Bylaw 6.2.3.1. Additionally, we found no other material exceptions as a result of the procedure.



**MIDWESTERN STATE UNIVERSITY ATHLETIC DEPARTMENT**  
**STATEMENT OF REVENUE AND EXPENSES**  
For the year ended August 31, 2014

Revenue:	Football	Men's Basketball	Women's Basketball	Men's Soccer	Women's Soccer	Other Sports	Non-program Specific	Total
\$								
Administrative Fees	-	-	-	-	-	-	811.31	\$ 811.31
Advertising Income	-	-	-	-	-	-	22,525.00	22,525.00
Annual Fund Donations excl Endowments	-	-	-	-	-	-	25,307.14	25,307.14
Athletic Sponsorships	-	5,500.00	7,000.00	-	-	-	4,600.00	17,100.00
Athletic Entry Fees	-	-	-	-	-	8,531.40	47,519.00	56,050.40
Athletic Phone Reimbursements	-	-	-	-	-	-	2,889.99	2,889.99
Concessions Income	-	-	-	-	-	-	43,182.60	43,182.60
Educational Workshops Camps	-	-	-	-	250.00	-	-	250.00
Endowment Gift Income	-	-	-	-	-	-	2,168.48	2,168.48
Endowment Interest on Other Accounts	-	-	-	-	-	-	18,896.55	18,896.55
Endowment Interest Income	-	-	-	-	-	-	814.80	814.80
Facility Rental	-	-	-	-	-	2,525.00	-	2,525.00
Gifts excluding Endowments	-	25,478.00	-	-	-	20.00	396,992.90	422,490.90
Interest Income Student Loans	-	-	-	-	-	-	71.43	71.43
Investment Interest Income	-	-	-	-	-	-	12,208.11	12,208.11
Miscellaneous Cash Sales	-	-	-	-	-	2,549.03	2,324.53	4,873.56
Other Operating Grants Contracts	-	-	-	-	-	-	2,375.00	2,375.00
Other Operating Revenues	440.00	13.35	-	6,650.00	5,850.00	1,168.50	65,459.87	79,581.72
Other Vending Income	-	-	-	-	-	-	40.00	40.00
Public Records Fees	-	-	-	-	-	661.00	-	661.00
Sales of Fixed Assets or Scrap Equipment	-	-	-	-	-	-	458.75	458.75
Ticket Sales	27,404.01	40,030.00	41,045.00	1,399.50	1,588.50	6,750.00	13,605.00	131,822.01
	<u>\$ 27,844.01</u>	<u>71,021.35</u>	<u>48,045.00</u>	<u>8,049.50</u>	<u>7,688.50</u>	<u>22,204.93</u>	<u>\$ 662,250.46</u>	<u>\$ 847,103.75</u>
<b>Gross Revenues</b>								
Expenses:								
Communication and Utilities Expense	\$ 448.50	471.48	380.31	511.34	198.50	813.62	23,582.17	\$ 26,405.92
Fringe Benefits Expense	85,650.25	35,108.51	23,410.84	29,156.31	23,493.90	74,774.60	139,766.71	411,361.12
Printing and Production Expense	500.70	174.43	698.14	12.03	30.00	534.60	7,495.37	9,445.27
Professional Fees and Services Expense	39,403.93	26,025.23	12,355.26	5,013.95	7,466.39	52,539.85	280,601.04	423,405.65
Prompt Pay Interest	-	50.46	-	-	-	-	95.35	145.81
Rental and Lease Expense	21,121.55	-	-	-	-	2,644.76	60,675.70	84,442.01
Repairs and Maintenance Expense	18,733.16	110.00	359.50	1,912.91	1,819.91	2,716.26	3,025.17	28,676.91
Salaries and Wages Expense	524,919.96	145,800.76	129,425.46	131,841.75	141,138.60	685,981.18	76,519.01	1,835,626.72
Scholarships and Grants	55,341.02	33,841.98	27,570.11	10,437.86	32,764.13	63,511.50	193,475.37	416,941.97
Supplies and Materials Expense	317,192.70	107,061.24	94,894.48	88,576.16	63,786.87	260,054.67	725,005.06	1,656,571.18
Travel Expenses	72,720.83	19,369.52	21,307.27	18,871.72	22,115.89	77,583.86	198,381.76	430,370.85
	<u>\$ 1,136,032.60</u>	<u>368,033.61</u>	<u>310,401.37</u>	<u>286,334.03</u>	<u>292,814.19</u>	<u>1,221,154.90</u>	<u>\$ 1,708,622.71</u>	<u>\$ 5,323,393.41</u>
<b>Total Expenses</b>								
<b>Net Revenues/(Loss)</b>	<u>\$ (1,108,188.59)</u>	<u>(297,012.26)</u>	<u>(262,356.37)</u>	<u>(278,284.53)</u>	<u>(285,125.69)</u>	<u>(1,198,949.97)</u>	<u>\$ (1,046,372.25)</u>	<u>\$ (4,476,289.66)</u>

MIDWESTERN STATE UNIVERSITY ATHLETIC DEPARTMENT  
SCHEDULE OF ORGANIZATIONAL REVENUES- PROGRAM SPECIFIC SUPPLEMENTARY SCHEDULE  
for the year ended August 31, 2014

Acct#	Account Description	Football	Basketball Men	Basketball Women	Soccer Men	Soccer Women	Tennis Men	Tennis Women	Softball Women	Volleyball	Golf Men	Golf Women	X- Country Women	Non-program Specific	Totals
5451	Administrative Fees	-	-	-	-	-	-	-	-	-	-	-	-	811.31	\$ 811.31
5456	Public Records Fees	-	-	-	-	-	-	-	-	-	-	-	-	661.00	661.00
5451	Interest Income Student Loans	-	-	-	-	-	-	-	-	-	-	-	-	71.43	71.43
5452	Sale of Fixed Assets or Scrap Equip	-	-	-	-	-	-	-	-	-	-	-	-	458.75	458.75
5454	Ticket Sales- Other	27,404.01	40,030.00	41,045.00	1,399.50	1,558.50	-	-	4,431.00	2,315.00	-	-	-	13,605.00	131,822.01
5455	Facility Rental	-	5,500.00	7,000.00	-	-	-	-	2,525.00	-	-	-	-	4,800.00	7,125.00
5456	Athletic Sponsorships	-	-	-	-	-	-	-	-	-	-	-	-	-	12,500.00
5458	Concessions Income	-	-	-	-	-	-	-	-	-	-	-	-	-	43,162.60
5459	Misc Cash Sales	-	-	-	-	-	-	-	-	-	-	-	-	-	2,324.53
5470	Other Operating Income	440.00	13.35	-	6,850.00	5,850.00	-	-	-	-	371.82	445.04	1,732.17	2,324.53	4,873.56
5471	Other Vending Income	-	-	-	-	-	-	-	-	210.00	902.59	55.89	0.02	65,459.87	79,561.72
5473	Athletic Entry Fees Received	-	-	-	-	-	3,370.70	4,070.70	900.00	-	-	-	-	40.00	40.00
5474	Athletic Phone Reimbursements	-	-	-	-	-	-	-	-	-	-	-	190.00	47,519.00	56,050.40
		-	-	-	-	-	-	-	-	-	-	-	-	2,869.99	2,869.99
	Total Other Operating Revenue	27,844.01	45,543.35	48,045.00	8,049.50	7,438.50	3,370.70	4,070.70	8,517.00	2,525.00	1,274.41	500.93	1,922.19	180,962.48	339,256.46
5600	Gifts Excluding Endowments	-	25,478.00	-	-	-	-	-	20.00	-	-	-	-	366,952.90	422,490.90
5903	Annual Fund Donations excl Endowments	-	-	-	-	-	-	-	-	-	-	-	-	25,307.14	25,307.14
	Total Gifts	-	25,478.00	-	-	-	-	-	20.00	-	-	-	-	422,300.04	447,798.04
5700	Investment Interest Income	-	-	-	-	-	-	-	-	-	-	-	-	12,208.11	12,208.11
5702	Endowment Interest on Other Account	-	-	-	-	-	-	-	-	-	-	-	-	18,896.55	18,896.55
	Total Investment Income	-	-	-	-	-	-	-	-	-	-	-	-	31,104.66	31,104.66
5900	Endowment Interest Income	-	-	-	-	-	-	-	-	-	-	-	-	814.80	814.80
5902	Endowment Gift Income	-	-	-	-	-	-	-	-	-	-	-	-	2,168.48	2,168.48
	Total Additions to Endowments	-	-	-	-	-	-	-	-	-	-	-	-	2,983.28	2,983.28
5467	Advertising	-	-	-	-	-	-	-	-	-	-	-	-	22,525.00	22,525.00
	Total Advertising Income	-	-	-	-	-	-	-	-	-	-	-	-	22,525.00	22,525.00
5204	Educational Workshops Camps	-	-	-	-	250.00	-	-	-	-	-	-	-	-	250.00
5202	Educational Ticket Sales	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total Sales Service Educational	-	-	-	-	250.00	-	-	-	-	-	-	-	-	250.00
5400	Other Operating Grants and Contracts	-	-	-	-	-	-	-	-	-	-	-	-	2,375.00	2,375.00
	Total Other Operating Grants and Contracts	-	-	-	-	-	-	-	-	-	-	-	-	2,375.00	2,375.00
	Total Revenues	\$ 27,844.01	71,021.35	48,045.00	8,049.50	7,688.50	3,370.70	4,070.70	8,537.00	2,529.00	1,274.41	500.93	1,922.19	562,250.46	\$ 847,103.75

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MIDWESTERN STATE UNIVERSITY ATHLETIC DEPARTMENT  
SCHEDULE OF ORGANIZATIONAL EXPENSES-ATHLETIC FUND  
For the year ended August 31, 2014

Acct. #	Account Description	Football	Basketball Men	Basketball Women	Soccer Men	Soccer Women	Tennis Men	Tennis Women	Volleyball	Golf Men	Golf Women	X Country Women	Non-Program Specific	Total
7400	Utilities Budget Pool	-	-	-	-	-	-	-	-	-	-	-	-	-
7501	Electricity	-	-	-	-	-	-	-	-	-	-	-	4,858.12	-
7503	Telephone Long Distance	-	-	-	-	-	-	-	-	-	-	-	-	-
7504	Telephone Monthly Charges	448.50	471.48	220.31	431.34	123.50	233.74	-	165.17	123.71	-	127.53	2,854.99	5,280.74
7510	Telephone Parts and Supplies	-	-	160.00	80.00	75.00	-	-	3.00	80.00	-	-	388.00	388.00
7514	Telecomm Maint and Repair	-	-	-	-	-	-	-	-	-	-	-	-	-
7522	Mobile Phone Charges	-	-	-	-	-	-	-	-	-	-	-	15,698.24	15,698.24
7524	Other Utility Costs	-	-	-	-	-	-	-	-	-	-	-	170.82	170.82
7526	Waste and Disposal	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Communication and Utilities														
7005	Non-Student Part Time Wages	448.50	471.48	380.31	511.34	198.50	233.74	-	168.17	203.71	-	127.53	23,582.17	26,405.92
7008	Faculty Academic Salaries	-	-	-	-	-	-	-	-	-	-	-	137,685.59	138,450.59
7010	Professional Admin Salaries	293,123.07	105,642.96	92,559.03	87,912.93	54,621.54	21,071.54	21,071.44	70,983.01	34,481.49	28,791.99	-	407,262.89	1,299,596.42
7014	Student Employee	851.62	-	-	-	-	-	-	-	-	-	-	123,031.51	123,883.13
7015	Classified Salaries	20,208.00	-	-	-	-	-	-	-	-	-	-	39,314.04	59,522.04
7019	Compensatory Time Pay	-	-	-	-	-	-	-	-	-	-	-	-	-
7021	Overtime Pay	1,054.01	1,418.28	2,335.45	863.23	582.81	-	90.47	719.48	-	-	-	6,947.26	13,810.99
7022	Longevity Pay	1,620.00	-	-	-	-	-	-	-	-	-	-	8,770.00	10,690.00
7023	Lump Sum Termination Pay	-	-	-	-	-	-	-	-	-	-	-	463.77	9,046.29
7031	Salary Allowances	-	-	-	-	8,582.52	-	-	-	-	-	-	1,530.00	1,530.00
7032	Panial Per Diem	38.00	-	-	-	-	-	5.72	-	-	-	-	-	41.72
Total Salaries and Wages														
7041	Group Ins. Employer Portion	317,192.70	107,061.24	94,894.48	88,576.16	63,786.87	21,071.54	21,071.44	71,704.49	34,481.49	28,791.99	-	725,005.06	1,656,571.16
7043	FICA Employer Matching Contrib	39,489.88	18,530.78	9,894.49	15,522.98	15,720.93	3,414.98	3,227.76	10,745.51	3,171.54	6,350.05	-	63,505.01	199,390.94
7071	Moving Expense Reimbursement	23,486.20	7,497.50	7,189.09	5,944.71	4,071.07	1,511.04	1,510.99	5,313.84	2,527.49	2,020.67	-	41,730.17	108,889.19
7072	Car Allowance	-	-	-	-	-	-	-	-	-	-	-	-	-
7073	Cell Phone Allowance	1,820.00	1,800.00	-	1,620.00	-	-	-	720.00	-	-	-	2,760.00	-
7076	CRP Retirement Employer Portion	14,989.17	-	4,145.90	1,799.46	1,717.72	1,390.71	1,300.70	4,893.10	2,930.94	1,900.23	-	15,439.85	56,442.80
7909	TRS Retire Employer Portion	6,065.30	7,280.23	2,181.36	4,159.16	1,984.18	-	58.37	48.92	-	-	-	16,340.67	38,138.19
Total Fringe Benefits														
7201	Membership Dues	85,650.25	35,108.51	23,410.84	29,156.31	23,463.90	6,316.73	6,129.47	21,513.37	8,623.94	8,623.97	10,270.95	139,766.71	411,351.12
Building and Improvements Expense														
Total Other Operating Expense														
7273	Printing and Reproduction	500.70	174.43	698.14	12.03	30.00	-	-	114.65	268.50	91.05	30.00	7,495.37	9,445.27
Total Printing and Reproduction														
7201	Insurance Premiums	-	-	-	280.00	-	-	-	-	-	3,168.99	423.00	42,031.10	46

[illegible]





Schultz & Company, PC  
Certified Public Accountants  
3705 Maplewood Ave  
Wichita Falls, TX 76308

Main: (940) 397-8400  
Fax: (940) 397-8401

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February 6, 2015

Chris Stovall  
Controller  
Administration and Finance  
3410 Taft Boulevard  
Wichita Falls, Texas 76308

Mr. Stovall,

This letter is to confirm your understanding of the terms and objectives of the engagement and the nature and limitations of the services our firm will provide.

The objective of the engagement is to assist you in evaluating whether the accompanying statement of revenue and expense for Midwestern State University (MSU) is in compliance with the National Collegiate Athletic Association (NCAA) Bylaw 6.2.3.1 for the year ended August 31, 2014. We will perform inquiries and analysis based on information made available to us. Our assistance will be directed to those business activities, operational areas, and outlines in NCAA Agreed- Upon Procedures manual dated August 15, 2013. In performing our services, we will be relying on the sufficiency, accuracy, and reliability of information provided by your accounting personnel and other MSU personnel. Also, our ability to complete our work will depend on the cooperation of the MSU management.

We will perform procedures as outlined in the NCAA Agreed- Upon Procedures manual dated August 15, 2013. The sufficiency of these procedures are MSU's and the NCAA's responsibility. Our procedures are limited to those which you have determined will best meet your informational needs and may not necessarily disclose all significant errors, fraud, or illegal acts that may exist.

At conclusion of the engagement, we will require a representation from MSU stating that the procedures performed were consistent with the procedures requested and that all financial records and data relevant to this engagement were made available to our firm.

At the conclusion of the engagement, we will present our findings to you in a written report which will include comments and observations based on the results of our procedures.

These procedures will not constitute an audit, review, or compilation of financial information and therefore. I will not express any assurance or provide an opinion of the financial statements of MSU.

Our report is suitable for use only by those who have participated in determining those procedures. Consequently, the report will be restricted to your internal use and the use of NCAA management only. We have no responsibility to update our report for events and circumstances that occur subsequent the date of its issuance. If for any reason we are unable to complete the engagement, we will not issue a report as a result of the engagement.

Our fees will be \$4,000 for evaluating whether the accompanying statement of revenue and expenses for Midwestern State University (MSU) is in compliance with the National Collegiate Athletic Association (NCAA) Bylaw 6.2.3.1 for the year ended August 31, 2014, exclusive of applicable sales tax and any out-of-pocket costs. The fee estimate is based on anticipated cooperating from your personnel and the assumption that unexpected circumstances will not be encountered during the engagement. If a change in the scope of procedures is required, we will discuss it with you and arrive at a new fee estimate before we incur additional costs.

Fees for our work during the engagement will be rendered as work progresses and are payable upon presentation. In accordance with our firm's policies, work may suspend if your account becomes overdue and will not be resumed until your account is paid in full. If we elect to terminate our engagement for nonpayment, the engagement will be deemed to have been completed even if we have not completed the final report. You will be obligated to compensate our firm for all the time expended and to reimburse our firm for all out-of-pocket expenses through the date of termination.

We appreciate the opportunity to be of service to you and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of the engagement as described in this letter, please sign the enclosed copy and return it to us.

*Schultz & Co CPAs PC*

Certified Public Accountants

Response:

This letter correctly sets forth the understanding of Midwestern State University:

A handwritten signature in dark ink, appearing to read "Chris Stovall", is positioned above a horizontal line.

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Chris Stovall, Controller

February 6, 2015