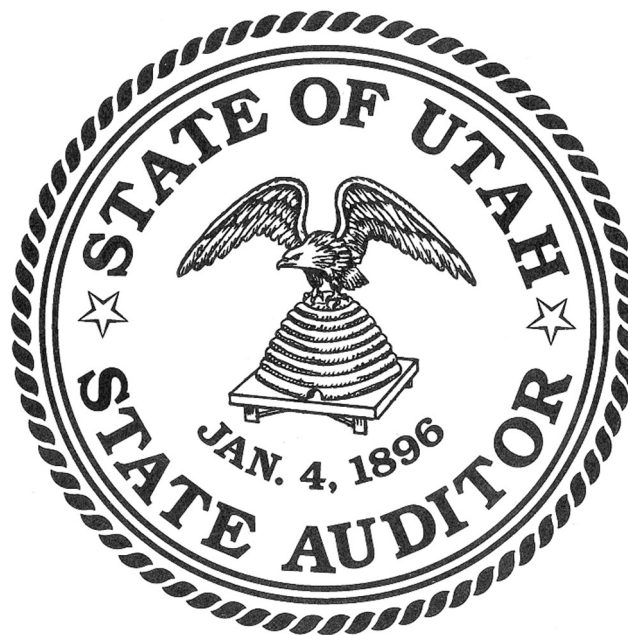


Weber State University

Intercollegiate Athletics Program
Agreed-Upon Procedures Report
For the Year Ended June 30, 2022

Report No. 22-19



OFFICE OF THE STATE AUDITOR

Audit Leadership:

John Dougall, State Auditor
Doug Seager, CPA, Audit Director
Caleb Tindall, CPA, Audit Supervisor



OFFICE OF THE
STATE AUDITOR

Independent Auditor's Report

To the Board of Trustees, Audit Committee,
and
Dr. Brad L. Mortensen, President
Weber State University

We have performed the procedures enumerated below on Weber State University's (University) compliance with the National Collegiate Athletic Association (NCAA) 2022 *Agreed-upon Procedures Guide* (Guide) for the year ended June 30, 2022. University management is responsible for compliance with the Guide.

Weber State University has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of assisting users in evaluating whether the University complied with the Guide for the year ended June 30, 2022. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures performed and the associated findings are as follows:

Internal Control Agreed-upon Procedures

- A. We reviewed the general control environment for the University's Intercollegiate Athletics Program (Program). As part of this review, we reviewed the Program's organization. We also made certain inquiries of management regarding departmental organization, control consciousness of staff, competency of personnel, adequate safeguarding and control of records and assets, the extent of the Internal Audit Department's involvement with athletics, controls over interactions with the Information Technology Department, and other relevant matters. We found no exceptions as a result of these procedures.
- B. We tested samples of Ticket Office cash receipts, Business Office cash receipts, payroll transactions, and non-payroll transactions to ensure that the internal controls of the Program are the same as those addressed in connection with the audit of the University's financial statements for June 30, 2022. Our sample sizes were limited to 5 items each for cash receipts, payroll, and non-payroll transactions. We found no exceptions as a result of these procedures.
- C. We reviewed and tested the University's procedures for gathering information on the nature and extent of affiliated and outside organization activity for or on behalf of the

Program. All booster group activity is under the accounting control of the University; therefore, we performed no additional procedures.

Statement of Revenues and Expenses Agreed-Upon Procedures

- D. We obtained the Intercollegiate Athletics Program's Statement of Revenues and Expenses (the Statement) for the year ended June 30, 2022, as prepared by management.
- We agreed the amounts reported on the Statement to the University's general ledger. We ensured that the amounts were reported in accordance with NCAA guidelines and generally accepted accounting principles.
 - We compared and agreed each operating revenue and expense category that comprised more than 4.0% of total revenues or total expenses, as reported on the Statement during the reporting period, to supporting schedules provided by the University.
 - We compared and agreed samples selected in step B above and in the Revenue and Expense Procedures noted below to adequate supporting documentation.
 - We compared each major revenue and expense account over 10% of the total revenues or total expenses to prior period amounts. We obtained and documented an explanation of any variations greater than 10%. We have reported our analysis as a supplement to this Agreed-Upon Procedures report (see Exhibit 1).
 - We reviewed the footnotes to the Statement for propriety and compliance with NCAA guidelines.

We agreed to report on any matter that came to our attention that caused us to believe that any of the specified accounts or items needed to be adjusted by more than \$100,000. We found no exceptions greater than \$100,000 as a result of these procedures.

- E. We performed the following procedures related to the Intercollegiate Athletics Program.

Revenue Procedures:

Student Fees

1. We compared and agreed student fees reported by the University in the Statement for the reporting period to student enrollments during the same reporting period and recalculated totals.
2. We recalculated the totals of the athletic department's methodology for supporting that they are able to count each sport. We tied the calculation to supporting documents such as seat manifests, ticket sales reports, and student fee totals.

Direct Institutional Support

3. We compared the direct institutional support recorded by the University during the reporting period with supporting budget transfers documentation and recalculated totals.

Guarantees

4. We selected a sample of 3 contractual agreements pertaining to revenues derived from guaranteed contests during the reporting period and compared and agreed each selection to the University's general ledger and/or the Statement and recalculated totals.

We found no exceptions greater than \$100,000 as a result of these procedures.

Expense Procedures:

Athletic Student Aid

5. We selected 32 student athletes, representing 10% of student athletes receiving aid, from the listing of University student aid recipients during the reporting period.
6. We obtained individual student account detail for each selection and compared total aid in the University's student system to the student's detail in the NCAA's Compliance Assistant (CA) software.
7. We performed a check to ensure the information for each student selected was accurately reported in the NCAA's Compliance Assistant software using the criteria listed in the NCAA 2022 Agreed-Upon Procedures Guide.
8. We recalculated totals for each sport and overall.

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

9. We obtained and inspected a listing of coaches employed by the University and related entities during the reporting period. We selected a sample of 5 coaches, which represents 10% of the coaches' contracts, that included football, and men's and women's basketball from the listing.
10. We compared and agreed the financial terms and conditions of each selection to the related coaching salaries, benefits, and bonuses recorded by the University and related entities in the Statement during the reporting period.
11. We obtained and inspected payroll summary registers for the reporting period 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 University and related entities expense recorded by the University in the Statement during the reporting period.
12. We compared and agreed the totals recorded to any employment contracts executed for the sample selected and recalculated totals.

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

13. We selected a sample of 15 support staff, which represents 10% of the support staff/administrative personnel employed by the University and related entities during the reporting period.
14. We obtained and inspected reporting period payroll summary registers for each selection. We compared and agreed related payroll summary registers to the related support staff/ administrative salaries, benefits, and bonuses paid by the University and related entities expense recorded by the University in the Statement during the reporting period and recalculated totals.

Student Athlete Meals (non-travel)

15. We obtained general ledger detail and compared it to the total expenses reported. We selected a sample of 3 transactions from Men's Basketball, Football, Woman's Basketball, and Other Sports and validated the existence of and accuracy in recording the transactions and recalculated totals.

We found no exceptions greater than \$100,000 as a result of these procedures.

Additional Agreed-Upon Procedures

F. Grants-in-Aid:

- We compared and agreed the sports sponsored as reported in the NCAA Membership Financial Reporting System (MFRS) to the Calculation of Revenue Distribution Equivalencies Report (CRDE) from Compliance Assistance (CA). There were no noted discrepancies between the reports
- We compared current year Grants-in-Aid revenue distribution equivalencies to the prior year reported equivalencies per the Membership Financial Report submission. The variance between years was less than +/-4%.

G. Sports Sponsorship:

- We obtained the University's Sports Sponsorship and Demographics Form submitted to the NCAA for the reporting year and validated that the countable NCAA sports reported by the University met the minimum requirements set forth in Bylaw 20.9.6.3 related to the number of contests and the number of participants in each contest that are counted toward meeting the minimum contest requirement. We then ensured that the University properly reported these sports as countable for revenue distribution purposes within the MFRS.
- We compared the current year number of Sports Sponsored to the prior year reported total per the Membership Financial Report submission. There were no variances between years.

H. Pell Grants:

- We agreed the total number of Division I student athletes who, during the academic year, received a Pell Grant award and the total value of these Pell Grants reported in the MFRS to a report, generated out of the University's financial aid records, of all student athlete Pell Grants.
- We compared the current year Pell Grants total to the prior year reported total per the Membership Financial Report submission. The variance between years was less than +/- 20 grants.

We found no exceptions as a result of these procedures.

We were engaged by the University to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. An agreed-upon procedures engagement involves 1) performing specific procedures that the University has agreed to and acknowledged to be appropriate for the intended purpose of the engagement, and 2) reporting on findings based on the procedures performed. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the University's compliance with the NCAA's *2022 Agreed-upon Procedures Guide* for the year ended June 30, 2022. 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.

We are required to be independent of the University and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to agreed-upon procedure engagements.



Office of the State Auditor
Salt Lake City, Utah
January 10, 2023

Weber State University
Intercollegiate Athletics Program
Statement of Revenues and Expenses
For the Year Ended June 30, 2022

Operating Revenues	Men's		Women's		Non-Program Specific	2022 Totals
	Basketball	Football	Basketball	Other Sports		
Ticket Sales	\$ 311,866.74	\$ 251,235.00	\$ 8,292.75	\$ 46,003.57	\$ -	617,398.06
Conference Distributions	-	-	-	-	-	-
NCAA Distributions	126,766.99	-	-	38,446.95	894,128.13	1,059,342.07
Program Sales and Concessions	-	13,481.00	-	-	-	13,481.00
Guarantees	145,000.00	600,000.00	46,000.00	11,500.00	-	802,500.00
Media Rights	-	-	-	-	83,541.26	83,541.26
Student Fees	-	-	-	-	2,520,891.30	2,520,891.30
Royalties, Licensing, Advertisement and Sponsorships	301,152.23	246,397.28	-	-	-	547,549.51
Gifts in Kind	18,788.49	65,154.40	12,871.64	12,061.64	34,334.20	143,210.37
Contributions	485,714.20	76,256.29	2,220.00	297,893.63	646,796.14	1,508,880.26
Restricted Endowment and Investment Income	10,299.00	49,199.00	-	39,849.00	75,304.98	174,651.98
Institutional Support	478,775.18	1,776,357.89	429,958.34	2,331,003.25	2,040,380.57	7,056,475.23
State Appropriations	103,934.63	460,625.35	75,387.11	587,296.09	49,425.61	1,276,668.79
Indirect Institutional Support	-	-	-	-	75,264.26	75,264.26
Sports-Camp Revenues	27,336.25	14,917.41	6,249.00	50,062.89	-	98,565.55
Other Revenue	-	47,753.56	-	44,571.00	479,620.45	571,945.01
Total Operating Revenues	\$ 2,009,633.71	3,601,377.18	580,978.84	3,458,688.02	6,899,686.90	16,550,364.65
Operating Expenses						
Coaching Salaries and Benefits	758,875.77	1,367,942.03	365,636.39	1,352,103.21	-	3,844,557.40
Other Salaries and Benefits	62,762.74	118,590.33	26,759.06	13,853.17	1,668,490.96	1,890,456.26
Severance Payments	-	-	-	-	-	-
Team Travel	386,307.99	278,705.96	206,899.60	917,778.04	-	1,789,691.59
Recruiting	115,940.88	93,610.71	35,616.01	47,606.14	-	292,773.74
Athletic Student Aid	415,627.50	1,594,334.67	440,531.98	2,215,032.30	69,385.86	4,734,912.31
Athletic Facilities Debt Service, Leases and Rental Fees	625.00	-	-	14,517.47	94,854.65	109,997.12
Direct Overhead and Admin Expenses	15,303.98	28,734.74	7,444.87	17,647.92	68,465.80	137,597.31
Sports Equip, Uniforms and Supplies	79,698.70	232,216.99	22,341.93	280,316.30	72,398.08	686,972.00
Insurance and Medical Expenses	2,417.34	6,318.58	333.75	4,026.35	318,586.64	331,682.66
Spirit Groups	-	-	-	-	372,252.38	372,252.38
Memberships and Dues	8,755.00	6,330.00	7,175.00	8,397.67	77,388.23	108,045.90
Fund Raising, Marketing, & Promotion	24,428.40	26,337.02	-	22,729.83	307,617.86	381,113.11
Indirect Institutional Support	-	-	-	-	75,264.26	75,264.26
Sports-Camp Expenses	3,579.04	26,591.28	1,815.78	22,806.14	-	54,792.24
Student Athlete Meals	87,812.50	144,549.18	15,006.22	52,559.71	26,126.38	326,053.99
Other Operating Expenses	102,236.01	182,639.00	42,514.78	127,335.28	346,180.98	800,906.05
Home Game Expenses	125,323.67	122,605.79	105,144.80	134,048.88	-	487,123.14
Guarantees	14,000.00	-	-	9,456.83	-	23,456.83
Excess Transfers to Institution	58,000.00	-	15,000.00	98,000.00	537,000.00	708,000.00
Total Operating Expenses	\$ 2,261,694.52	4,229,506.28	1,292,220.17	5,338,215.24	4,034,012.08	17,155,648.29
Excess of Revenues Over Expenses	\$ (252,060.81)	\$ (628,129.10)	\$ (711,241.33)	\$ (1,879,527.22)	\$ 2,865,674.82	\$ (605,283.64)

The accompanying notes are an integral part of this financial statement.

Weber State University
Intercollegiate Athletics Program
Notes to Statement of Revenues and Expenses
For the Year Ended June 30, 2022

A. Basis of Presentation

The accompanying Weber State University Intercollegiate Athletics Program's Statement of Revenues and Expenses for the year ended June 30, 2022 has been prepared on the accrual basis of accounting except for institutional support, athletic student aid expense, and gifts. Institutional Support revenues and Athletic Student Aid expenses have not been reduced for scholarship allowances in the amount of \$853,194. Gifts or contributions are recognized in the statement when both received and used, rather than when pledged or received. The purpose of the Statement is to present a summary of revenues and expenses of the Intercollegiate Athletics Program of the University for the fiscal year ended June 30, 2022. Because the Statement presents only a selected portion of the activity of the University, it is not intended to and does not present either the financial position or changes in financial position of the University in total.

B. Allocation Among Sports

1. The athletic programs reflected in the accompanying Statement under *Other Sports* include the following:

Track & Field & Cross Country – Men and Women
Golf – Men and Women
Tennis – Men and Women
Volleyball – Women
Soccer – Women
Softball – Women

2. The activities reflected as *Non-Program Specific* include revenues and expenses for non-allocated fees and costs such as maintenance, general administration, publicity, cheerleading, etc.

C. Direct Institutional Support

Direct Institutional Support represents allocations by the University administration of general unrestricted funds for various athletic programs. The allocations were primarily used to fund the salaries of coaches and other athletic program personnel. Other allocations were used to fund expenses for maintaining statistical athletic event information and for Wildcat Club personnel. Additionally, the University makes expenditures for accounting, payroll, personnel, and other general administrative costs that benefit the Intercollegiate Athletics Program. These costs have been allocated to the Intercollegiate Athletics Program as described in Note F.

Weber State University
 Intercollegiate Athletics Program
 Notes to Statement of Revenues and Expenses
 For the Year Ended June 30, 2022

D. Contributions

During fiscal year 2022, the Intercollegiate Athletics Program received gifts totaling \$1,729,679. Total contributions reported in the statement is \$1,508,880 which includes \$425,768 from prior year contributions that were spent in FY22 (gifts and changes in endowment and plant funds for Intercollegiate Athletics along with contributions not used are not included in the Financial Statement in accordance with NCAA guidelines). Contributions received but not reported in the statement are listed below in the reconciliation schedule:

FY22 Contributions reported in the Statement	\$1,508,880
FY22 Contributions not reported in the Statement:	
Youngberg Center Football Facility	\$232,313
Contributions to Endowments	\$279,175
FY22 Contributions not used	\$135,079
Prior year Contributions used in FY22	(\$425,768)
Total FY22 Contributions	\$ 1,729,679

The Athletics department received a generous gift used towards the Youngberg Football Center Facility from Nancy Behnken totaling \$202,313. The Stewart Education Foundation donated a total of \$237,500 in support of the Athletics Department (\$115,000), Men’s and Women’s Golf Programs (\$100,000), and the Wildcat Club Scholarship Fund (\$22,500). Roger Trinchero donated \$250,000 to an endowment titled the WSU Football Coach Support Endowment.

E. Plant Fund

Weber State University Athletics didn’t have any capital projects in FY22; therefore, nothing was capitalized.

F. Indirect Institutional Support

Indirect institutional support includes overhead not charged directly to the Athletics Department. These charges include an allocated amount, based on square footage of athletic facilities, for utilities and general and administrative functions of the University.

Weber State University
Intercollegiate Athletics Program
Notes to Statement of Revenues and Expenses
For the Year Ended June 30, 2022

G. University Capital Asset Guidelines

Capital assets are recorded at cost at the date of acquisition, or fair market value at the date of donation in the case of gifts. For equipment, the University's capitalization policy includes all items with a unit cost of \$5,000 or more and an estimated useful life of greater than one year. Buildings, renovations to buildings, infrastructure, and land improvements with a cost of \$250,000 or more are capitalized. Routine repairs and maintenance are charged to operating expense in the year in which the expense was incurred. All land is capitalized and not depreciated.

Depreciation is computed using the straight-line method over the estimated useful lives of the assets – 40 years for buildings, 20 years for infrastructure, land improvements, and library collections, and 3 to 10 years for equipment.

Disposition of surplus and obsolete assets is processed through the University's Property Control. Leased assets are recorded at the present value of payments expected to be made during the lease term.

Weber State University
Intercollegiate Athletics Program
Auditor's Analysis of Significant Variances
For the Year Ended June 30, 2022

Exhibit 1

COMPARISON OF ACTUAL CURRENT YEAR TO ACTUAL PRIOR YEAR

<u>Operating Revenues</u>	<u>2022</u> <u>Totals</u>	<u>2021</u> <u>Totals</u>	<u>Variance \$</u> <u>Over/(Under)</u>	<u>Variance %</u> <u>Over/(Under)</u>
Student Fees	2,520,891.30	2,457,052.10	63,839.20	2.60%
Institutional Support	7,056,475.23	6,605,600.09	450,875.14	6.83%
<u>Operating Expenses</u>				
Coaching Salaries and Benefits	3,844,557.40	3,624,620.16	219,937.24	6.07%
Other Salaries and Benefits	1,890,456.23	1,669,793.65	220,662.58	13.21% A
Team Travel	1,789,691.59	775,770.83	1,013,920.76	130.70% B
Athletic Student Aid	4,734,912.31	4,580,059.84	154,852.47	3.38%

Explanations for Variances:

A The increase in Other Salaries and Benefits is due to salary increases and hiring for a position that was previously vacant.

B The increase in team travel was due to the recovery from the COVID-19 pandemic since teams were able to return to a full travel schedule in FY22.