

STATE OF UTAH
OFFICE OF THE UTAH STATE AUDITOR



TINA M. CANNON
UTAH STATE AUDITOR

Southern Utah University

Intercollegiate Athletics Program

Agreed-Upon Procedures

For the year ended June 30, 2025

Report No. 25-24

Office of the Utah State Auditor

Audit Leadership:

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TINA M. CANNON
UTAH STATE AUDITOR

Independent Auditor's Report

To the Board of Trustees, Audit Committee,
and
Mindy Benson, President
Southern Utah University

We have performed the procedures enumerated below on Southern Utah University's (University) compliance with the National Collegiate Athletic Association (NCAA) *2025 Agreed-upon Procedures Guide* (Guide) for the year ended June 30, 2025. University management is responsible for compliance with the Guide.

Southern Utah 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, 2025. 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 Intercollegiate Athletics Program (Program). As part of this review, we reviewed its 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, 2025. 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 Program's Statement of Revenues and Expenses (the Statement) for the year ended June 30, 2025, 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.

There were four instances where the amounts on the Statement did not agree to supporting schedules provided by the University in excess of the \$100,000 exception-reporting threshold agreed to by the University. These exceptions were:

- A \$106,602 reclassification from Other Revenues to Royalties, Licensing & Sponsorships Revenue was made to properly record a third-party sponsorship in the Administration column.
- A \$2,000,000 reclassification from Other Revenues to Conference Distributions Revenue was made to properly record a conference distribution in the Administration column.
- A \$156,324 reclassification in Other Revenues from the Men's Basketball (\$14,125), Football (\$47,579), and Other Sports (\$94,620) columns to the Administration column was made to properly record the breakout of Other Revenues.
- A \$115,000 reclassification from Other Revenues to Other Operating Expenses was made to properly record an expense in the Administration column.

The Statement was adjusted to correct these errors. We found no exceptions greater than \$100,000 as a result of the other procedures above.

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

Revenue Procedures:

1. Direct Institutional Support

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

Expense Procedures:

2. Support Staff/Administrative Compensation, Benefits, and Bonuses Paid by the University and Related Entities

- a. We selected a sample of 10 support staff/administrative personnel employed by the University and related entities during the reporting period.
- b. 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 Statements during the reporting period and recalculated totals.

3. Indirect Institutional Support

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

We found no exceptions 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).

- 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% therefore, obtaining explanations for the variances was not necessary.

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 therefore, obtaining explanations for the variances was not necessary.

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 *2025 Agreed-upon Procedures Guide* for the year ended June 30, 2025. 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

Office of the Utah State Auditor

Salt Lake City, Utah

January 15, 2026

Financial Statements

Statement of Revenue and Expenses for the Year Ended June 30, 2025

	Administration	Men's Basketball	Football	Other Sports	Total
Revenues:					
Ticket Sales	\$ -	\$ 60,864	\$ 112,458	\$ 56,251	\$ 229,573
Student Fees	-	133,212	613,082	1,026,551	1,772,845
Direct Institutional Support (Note C)	2,606,218	1,099,011	3,148,601	5,257,662	12,111,492
Indirect Institutional Support (Note C)	715,100	-	-	-	715,100
Guarantees	-	295,000	925,000	69,600	1,289,600
Contributions	590,351	1,450	2,188	106,722	700,711
In-Kind	18,714	-	-	60,402	79,116
Media Rights	-	-	-	-	-
NCAA Distributions	-	84,751	390,049	653,102	1,127,902
Conference Distributions	2,000,000	-	-	-	2,000,000
Concessions	-	-	-	-	-
Royalties, Licensing & Sponsorships	178,388	-	-	-	178,388
Endowment Income	28,101	-	-	-	28,101
Other Revenues	124,203	-	795	28,369	153,367
Total Revenues	6,261,075	1,674,288	5,192,173	7,258,659	20,386,195
Expenses:					
Financial Aid (Note A)	-	390,953	1,795,834	3,026,850	5,213,637
Guarantees	-	18,000	-	35,685	53,685
Coaching Compensation, University	-	606,649	1,231,867	1,946,943	3,785,459
Support Staff Compensation, University	2,849,650	88,270	74,123	167,137	3,179,180
Recruiting	-	93,073	38,790	122,635	254,498
Team Travel	280,577	384,331	807,231	991,747	2,463,886
Uniforms and Supplies	283,189	51,445	183,733	268,179	786,546
Game Expenses	-	122,200	61,503	161,968	345,671
Fund Raising, Marketing & Promotion	24,353	-	-	-	24,353
Athletic Facilities Debt Service, Leases and Rental Fees (Note F)	-	-	-	-	-
Indirect Institutional Support (Note C)	715,100	-	-	-	715,100
Medical Expenses & Insurance	167,671	-	-	12,874	180,545
Memberships and Dues	121,455	3,085	16,000	20,300	160,840
Other Operating Expenses	1,044,351	54,222	88,990	272,627	1,460,190
Total Expenses	5,486,346	1,812,228	4,298,071	7,026,945	18,623,590
Excess (Deficiency) of					
Revenues over Expenses	<u>\$ 774,729</u>	<u>\$ (137,940)</u>	<u>\$ 894,102</u>	<u>\$ 231,714</u>	<u>1,762,605</u>
Encumbrances					<u>0</u>
Transfer from Other Funds					
Transfer to Other Funds					
Net Increase (Decrease) in Net Position					<u>1,762,605</u>

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

Notes to the Statement of Revenue and Expenses for the Year Ended June 30, 2025

A. Basis of Presentation

The accompanying Statement of Revenues and Expenses (the Statement) has been prepared on the accrual basis of accounting except for the following: Financial aid expenses include scholarship allowances in the amount of \$700,340. Tuition waivers have been reported as Direct Institutional Support and Financial Aid Expense. Gifts or contributions are recognized in the statement when both received and used, rather than when promised or received. Debt service of athletic-related debt is expensed when paid rather than when incurred. The purpose of the Statement is to present a summary of the financial activity of the Intercollegiate Athletics Programs of the University for the year ended June 30, 2025. 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 for the University in total.

B. Allocation Among Sports

The revenues and expenses of the major sports, which include Men's Basketball and Football, are reported separately. All other sports have been combined and reported as "Other Sports." The administrative functions of the Intercollegiate Athletics Programs, which support all sports, have been combined for reporting purposes in the column "Administration." All revenues and expenses have been allocated based on the Athletic Department's management decisions and categorized as instructed by the NCAA's revenue and expense policies and procedures.

C. Institutional Support

Direct Institutional support represents allocation by the University administration of general unrestricted funds for various athletic programs. The allocations were primarily used to fund the salaries of athletic administration, coaches, and other athletic program personnel. Allocations for scholarships, tuition waivers, and financial aid are also included.

Additionally, the University incurs expenses for accounting, payroll, physical plant, and other general administrative costs, including depreciation, that benefit the Intercollegiate Athletics Program. These costs have been allocated to the Intercollegiate Athletic Program and are reported in this statement as Indirect Institutional Support as revenue and an offsetting expense.

D. Contributions

There were no direct contributions to the Intercollegiate Athletics Program greater than ten percent of the total gift revenue from any affiliated or outside organization, agency, or

individual. In addition, there were no gifts greater than ten percent of the total gift revenue from groups of two or more individuals. In addition, there were no significant changes to endowments for the Intercollegiate Athletic Program during the year ended June 30, 2025.

E. Capital Assets

The University's policies and procedures for acquiring, approving, depreciating, and disposing of intercollegiate athletics-related capital assets is the same as for all University capital assets.

Capital assets are recorded at historical cost or acquisition 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 (\$3,000 or more for fiscal years prior to 2015), and an estimated useful life greater than one year. Buildings, renovations to buildings, infrastructure, and land improvements with a cost of \$100,000 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 --30 to 40 years for buildings, 20 to 40 years for infrastructure, land improvements, and library collections, and 3 to 20 years for equipment.

Auditor's Analysis of Significant Variances for the Year Ended June 30, 2025

Exhibit 1

10% Variance Comparison of Actual Current Year to Actual Prior Year

Operating Revenues	2025 Totals	2024 Totals	Variance \$ Over/(Under)	Variance % Over/(Under)
Direct Institutional Support	12,111,492	12,353,702	(242,210)	-1.96%
Operating Expenses				
Financial Aid	5,213,637	5,204,718	8,919	0.17%
Coaching Compensation, University	3,785,459	3,618,228	167,231	4.62%
Support Staff Compensation, University	3,179,180	3,006,748	172,432	5.73%
Team Travel	2,463,886	2,171,832	292,054	13.45%

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10% Variance Comparison of Actual Current Year to Current Year Budget Estimate

Operating Revenues	2025 Totals	Budget Estimate	Variance \$ Over/(Under)	Variance % Over/(Under)
Direct Institutional Support	12,111,492	12,070,369	41,123	0.34%
Operating Expenses				
Financial Aid	5,213,637	5,230,660	(17,023)	-0.33%
Coaching Compensation, University	3,785,459	3,657,941	127,518	3.49%
Support Staff Compensation, University	3,179,180	3,486,766	(307,586)	-8.82%
Team Travel	2,463,886	2,461,332	2,554	0.10%

A. The increase in Team Travel is due to an increase in airline and hotel costs for Football.